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Algeria ... 6.00 Din | Iran ... 115 Rials | Oman ... 1.000 Rials
Austria ... 22 S | Israel ... NIS 3.00 | Portugal ... 160 Esc.
Bahrain ... 0.800 Din | Italy ... 2,000 Lire | Qatar ... 3.00 Rials
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Cyprus ... C.£ 0.90 | Kuwait ... 500 Fils | Saudi Arabia 7.00 R
Denmark 11.00 D.Kr | Libya ... L.Dm 0.60 | Spain ... 150 Ptas.
Egypt ... E.P 3.250 | Luxembourg 50 L.Fr | Sweden ... 9.00 S.Kr
Finland ... 8.50 F.M | Madeira ... 165 Esc. | Switzerland 2.50 S.Fr
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Yugoslavia 25.000 D

Russian Says Mob Raids City

General Reports Attack by 5,000 In Uzbekistan

By David Remnick
Washington Post Service

MOSCOW — A mob of more than 5,000 men armed with machine guns, pistols, pitchforks and gasoline bombs rioted and seized the police station in the Soviet Central Asian city of Kokand on Friday, a Soviet general reported, as ethnic violence in Uzbekistan entered its second week.

At least 100 people were wounded during the attack, according to Colonel General Yuri V. Shatalin, commander of security troops.

The Moscow youth newspaper Komsomolskaya Pravda reported that an organized column of cars carrying "looters" arrived in the city of 150,000. They seized three locomotives, threatened to blow up fuel tanks and occupied the police headquarters, the press and broadcast services reported.

The violence came as the new Congress of People's Deputies closed its inaugural session in the Kremlin, after more than two weeks of debate on Soviet shortcomings and proposals for change.

The government newspaper Izvestia, in a report that did not take into account the Friday attack in Kokand, said that so far 80 persons had died and more than 800 had been wounded since the violence erupted last weekend. Journalists reporting from the region said that troops are still finding corpses in burned-out houses and cars.

General Shatalin said that Uzbeks were shooting into government buildings in Kokand and at Meskhetian Turks.

In the city of Tashlak, rioters with guns and homemade bombs tried to take over local government headquarters and also wounded Meskhetian women and children, according to reports from the area.

Since the violence began, Moscow has sent nearly 12,000 troops to restore order. And while some areas have grown calmer, the violence in Kokand, Tashlak and other cities has only intensified.

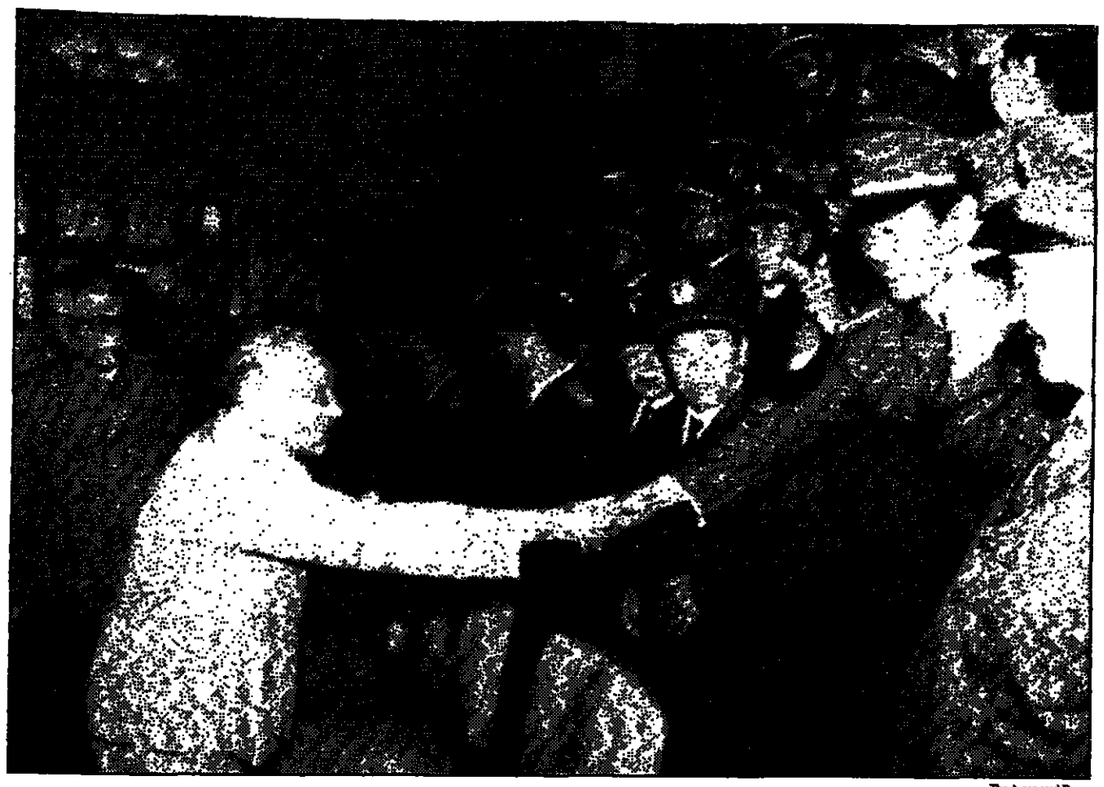
A report on the evening news indicated that the troops tried to stop the violence in Kokand by firing into the air. Moscow came under heavy criticism recently when troops put down a peaceful demonstration in the Republic of Georgia. Those clashes ended with 31 deaths and career disasters for the leadership.

The television report said that "criminals and the unemployed" were the culprits of the violence in Kokand, adding that the local police and troops did not have adequate force to restore order.

Helicopters have been sent to evacuate the Meskhetians in Kokand. More than 10,000 Meskhetians from around the republic have already been taken to an army-staffed refugee center.

At the final session of the Congress, President Mikhail S. Gorba-

See SOVIET, Page 6



The Associated Press

The Chinese senior leader, Deng Xiaoping, above, greeting army officers Friday in Beijing. Former President Li Xiannian is behind Mr. Deng. Below, young people frolicking Friday on a tank disabled when the army put down pro-democracy demonstrations last week.

Jeff Widener/The Associated Press

Deng Honors the Army For Crushing Protest

By John Burgess and Daniel Southerland
Washington Post Service

BEIJING — The Chinese paramount leader, Deng Xiaoping, reappeared in public Friday after 24 days, honoring the army for its suppression of pro-democracy demonstrations.

He was accompanied in a television appearance by other members of what are considered the old guard of Chinese power.

"I suggest that we all stand and mourn in silence for the heroes who died," Mr. Deng told senior Chinese officials. He was referring to soldiers and policemen killed in the suppression operation.

The city was generally quiet Friday, with only the occasional sound of gunshots and no signs of clashes between army units. But around midnight, the army carried out a huge movement of firepower.

Eighty-three tanks and 29 personnel carriers thundered down the main east-west avenue, apparently having come from Tiananmen Square, the focus of the protests. It was not known whether the forces were being redeployed in the city or withdrawn.

Mr. Deng had not been seen since his May 16 meeting with Mikhail S. Gorbachev of the Soviet Union. The Chinese leader's absence had renewed rumors of his death and had been taken as a sign that his primacy was in question.

He resurfaced as his government was announcing the arrest of "hooligans" for acts committed during the protests. The arrests, carried out in at least four provincial cities, increased concern that a nationwide roundup of political opponents might follow.

State television aired numerous shots of sullen men being questioned by police. An announcer said they were accused of such crimes as arson, damage to public property and attempted rape.

Bush cautiously warns leaders against more violence. Page 7.
Bitter memories linger as life slowly returns to normal. Page 7.

Western diplomats said Friday night that they had received numerous reports of arrests of anti-government leaders but had been unable to confirm any.

Armed troops continued to patrol and guard major streets around Beijing on Friday. Crews pressed on with clearing away burned vehicles and barricades.

Taking another step to restore order, the government said schools would reopen by June 12. It also ordered anyone absent from work because of the disorders to return.

Outside the capital, protests had not died out. According to telephoned reports, thousands of demonstrators in Guangzhou blocked a bridge; police arrested some.

The evacuation of Americans continued. On Thursday and Friday, about 550 people, most American, left aboard three flights arranged by the U.S. Embassy. Noting that commercial flights were now leaving with many seats empty, an embassy spokesman said no more charters were planned.

On Saturday, the embassy said it would send buses to the coastal city of Tianjin to pick up an estimated 100 Americans and other expatriates and take them to Beijing airport for evacuation.

In suppressing the demonstrations last weekend, troops generally did not resort to mass arrests. But students have predicted that as soon as emotions stirred up by the killings recede, authorities will make extensive arrests to immobilize the protest movement further.

As a result, many students have gone into hiding.

On Thursday, television broadcast orders for student leaders to surrender. In addition, TV publicized telephone numbers to call to report "counterrevolutionaries."

Friday at Beijing University, center of the student movement, political wall posters had been torn down, in line with a new edict banning such posters and pamphlets. But students interviewed knew of no political arrests there.

■ Shown With Hard-Liners

Arrayed around Mr. Deng during his television appearance were, for the most part, hard-line Communist Party revolutionaries who apparently represent a second tier of collective leadership, The New

See CHINA, Page 6

Soviets Reported 'Dismayed' by Violence

The Associated Press

BONN — A Soviet press spokesman said Friday that the Kremlin was surprised and "dismayed" by the Chinese repression of pro-democracy demonstrators, and added that Soviet officials had been unable to establish communications with Beijing.

"We can't get through, either," said the Foreign Ministry spokesman, Gennadi I. Gerasimov, who is in Bonn to help prepare for a visit next week by President Mikhail S. Gorbachev.

Asked if Soviet officials were surprised by the brutality of the crackdown on the Chinese protesters, Mr. Gerasimov said: "We hadn't expected this." He said Soviet authorities were "extremely dismayed."

Yang Family: A Crucial Role

President and Relatives Controlled the Troops in Beijing

By Daniel Southerland
Washington Post Service

BEIJING — The man who controls tens of thousands of soldiers in the Beijing crisis is not the senior leader Deng Xiaoping, but General Yang Shangkun, an 82-year-old veteran of the Long March who holds the ceremonial title of president of the People's Republic.

General Yang Shangkun is aided by General Yang Baibing, his younger brother, head of the political department of the People's Liberation Army. General Yang Baibing was promoted ahead of more senior generals to be made the army's top political commissar.

General Yang Jianhua, the son of General Yang Baibing, commands the 27th Field Army, now widely detested in Beijing because it led the army assault on and around at Tiananmen Square that left hundreds of people dead.

"This is basically a military coup by the Yang family," said a Western diplomat this week.

General Yang Shangkun, the president, has spent years assisting Mr. Deng to reform China's armed forces. Until now, diplomats did not consider him a major force in China's continuing power struggle. Now, he has the chance to eclipse Mr. Deng as the leader of the Chinese field armies trying to take control of Beijing.

Diplomats said the suave General Yang Shangkun, who was born in Sichuan, could rise quickly to the

NEWS ANALYSIS

position of paramount leader, displacing Mr. Deng.

But in the long run, they said, he has many weak points, including the use of nepotism to favor younger relatives, and, most important, involvement in, and responsibility for, suppressing the student-led democracy movement.

General Yang Shangkun also may be accused of helping to split the army, although at the moment he seems to be indispensable in the deployment of the troops occupying Beijing.

Mr. Deng, at 84, no longer appears physically capable of accomplishing this military task, which has often been referred to in Beijing as "Deng's last battle."

In contrast, General Yang Shangkun is known for his remarkable vigor and health. Unlike Mr. Deng, who purportedly works only an hour or two each day, the president moves like a man in his 50s or 60s. His constant companion is a woman in her 50s, a very active deputy mayor of Beijing.

For more than a decade, it has been Mr. Deng who ultimately decided what to do with the army. The army has been Mr. Deng's chief source of power in recent years, just as it is now General Yang Shangkun's source of support and political influence.

As chief of the policy-setting Communist Party military commission, Mr. Deng made the decisions while the president, as executive deputy chairman of the military commission, implemented them.

But the military decisions now being made in Beijing emanate from the office of the president, according to Chinese sources.

Unlike the unpopular Prime Minister Li Peng, who is usually viewed as a puppet of Mr. Deng's, General Yang Shangkun has a strength of character that is easily detected by many Chinese.

With the military apparently divided, he can manipulate and maneuver in ways that may not have been possible before.

Many Western diplomats rejected the possibility that the president

See ARMY, Page 6

U.S. Index Shows Steep Rise in Inflation

By Paul Blustein
Washington Post Service

WASHINGTON — After two months of moderate increases, U.S. producer prices rose a steep 0.9 percent in May, the Labor Department said Friday.

Economists said that the report, while showing that inflation remains far from dead, was less alarming than the monthly increase suggested. They said last month's substantial boosts in food, energy and auto prices were unlikely to be repeated in the coming months.

But in the foreign exchange markets, the dollar surged after the report as dealers speculated that it would prevent the U.S. Federal Reserve Board from lowering interest rates.

The U.S. currency climbed above 2 Deutsche marks for the first time in nearly two weeks, closing in New York at 2.0110 DM.

The dollar also surged nearly 3 yen, with dealers saying the recent political turmoil in China has contributed to the weakness in the Japanese currency.

The dollar closed at 146.65 yen in New York.

"The figure is higher than people expected, but almost all of it was due to special factors," said David Wyss, chief financial economist at Data Resources, an economic forecasting firm in Lexington, Massachusetts. "Inflation is accelerating a bit, but it's a sustained, moderate acceleration, not a sudden jump in May."

Still, analysts agreed that the report was likely to discourage the Fed from easing its credit policies for a while, because of fears that such a move could generate a new surge of economic growth that might rekindle inflationary pressures.

The Fed was rattled earlier this year when the producer price index rose 1.1 percent in January and 0.9 percent in February, although the index rose at a much more moderate 0.4 percent pace in March and April.

The Bush administration, seeking to avoid overreaction to the report, brought Michael J. Boskin, chairman of the Council of Economic Advisers, to the White House press room to explain the figures.

Mr. Boskin observed that "the biggest reason for the increase was the lowering and removal of price incentives to dealers for automobiles," he said.

Echoing the views of private economists, he said the April decrease of 2.8 percent in auto prices probably overstated the extent of the decline, while the 1.8 percent rise last month probably overstated the extent of the increase.

Moreover, Mr. Boskin said, ex-

See INFLATE, Page 15

EC Deputy Canvasses in a Cold Climate

By Craig R. Whitney
New York Times Service

CROWBOROUGH, England — Sir Jack Stewart-Clark has represented East Sussex in the European Parliament for 10 years. Friday, he went out into this prosperous town in the rolling English countryside of The Weald to seek people's votes once more in the European elections Thursday.

Most of the people he met were retired people, Conservatives like him, and they said yes, they certainly would vote for him. But a few seemed startled to learn that there was an election at all.

"I never bother," an old man said.

"I'm not voting for Europe," said a younger man carrying a motorcycle helmet. "It's a police state."

"I won't be here — I shall be in Europe," said a woman who, like many others, didn't feel that she was already there.

The vote for the parliament, which reviews the European Community's huge agricultural budget and amends the decisions of its executive commission in Brussels, is being held in Britain three days earlier than in most member countries.

Sir Jack, a graduate of Eton and Oxford who speaks French, Spanish and Portuguese as well as the native Dutch of his wife, Lydia, won 102,287 votes in a poll four years ago, coming in 65,000 ahead of his closest competitor. This time, he said, he expected a turnout of around 34 percent, about average since Britain joined the European Community in 1973.

Prime Minister Margaret Thatcher, campaigning in another district earlier in the week, said, "I get the feeling that not everyone realizes that the election is coming quite quickly. A bigger proportion of Labor people may be turning out to vote."

Indeed, the Labor manifesto for the European elections bluntly calls on the voters to turn out and "pass judgment on 10 years of Mrs. Thatcher."

That is why Fiona Thorpe told Sir Jack that

See EUROPE, Page 6

'Trial Marriages' May Tie a Loose Knot

By Felicity Barringer
New York Times Service

NEW YORK — U.S. researchers who expected the widespread practice of "trial marriage" to usher in an era of increased marital stability have been surprised by new studies showing that those who lived together before marriage separate and divorce in significantly greater numbers than couples who go directly to the altar.

Within 10 years of marrying, 38 percent of those who had lived together beforehand had split up, as compared with 27 percent of those who simply married, according to a study by two University of Wisconsin researchers.

The fragility of the post-cohabitation marriages was the most surprising result of the research on American households and fluctuating patterns of family life in what one observer last year called a "post-marital society."

But Larry L. Bumpass, who along with James A. Sweet has been analyzing the data from the 1987-1988 National Survey of Family and Households, a federal survey of some 13,000 individuals, warns against concluding that living together before marriage somehow causes separation or divorce.

So do other sociologists. "In a sense," said Frank F. Furstenberg Jr., a sociologist at the University of Pennsylvania, "the meaning of marriage may be different for people who cohabit and then marry than for those who just marry."

Mr. Furstenberg added: "I think that people who cohabit and then marry may have higher expectations of what marriage ought to offer in the way of personal intimacy, shared experience, friendship, sex and the like."

Some people who have lived together before marriage and remain married, however, believe that cohabitation strengthened their understanding of commitment, and that that understanding strengthened their marriage.

"We broke up a whole lot before we were married," said Margaret Striebel, the director

See MARRY, Page 6

Pierre Gleizes/The Associated Press

EDBERG AND CHANG REACH FINAL — Stefan Edberg stretching low to return a shot from Boris Becker during their five-set semifinal match on Friday at the French Open in Paris. Michael Chang took the other semifinal by defeating Andrei Chesnokov in four sets. Page 17.

Kiosk

Man Is Seized Rushing Pope

UPPSALA, Sweden (AP) — Police overpowered a man who rushed toward Pope John Paul II on Friday while he was giving communion at an outdoor Mass, the Swedish news agency TT reported.

A police duty officer confirmed that a Swede was taken into custody, but he had no further details. The agency said security guards threw themselves onto the man, who appeared to be in his 20s, as he ran toward the pope at a Mass outside this university city.

General News

Researchers in Montreal reported progress in the search for an AIDS vaccine. Page 2.

An 880-store 'Megamall' near Minneapolis, replete with roller coaster, will be the largest in the world. Page 3.

Arts/Leisure

The art market is embarking on an unprecedented inflationary cycle. Souren Melikian reports. Page 9.

Business/Finance

The turmoil in China is likely to diminish possibilities for the closer economic integration of East Asia. Page 11.

Crossword Page 6.

Dow Close
Down 3.49

The Dollar In New York

DM	2.011
Pound	1.547
Yen	146.65
FF	6.815

Salk and Others Seeking Vaccine Against AIDS Report Major Progress

By Michael Specter
Washington Post Service

MONTREAL — For the first time in nearly two years, scientists, including the polio vaccine pioneer Jonas E. Salk, have reported significant progress in the search for an AIDS vaccine.

At the Fifth International Conference on AIDS, the researchers said that a fully developed vaccine to protect humans from AIDS was years away, perhaps decades. But new studies appear to have eroded much of the pessimism that has long surrounded vaccine-development efforts.

Dani P. Bolognesi of Duke University in Durham, North Carolina, addressed 10,000 delegates Thursday on recent advances in vaccine development. "There have been times when I have worried whether we could find a way to make one that works. But I don't feel that way now. We are beginning to make steady progress."

Most of the excitement surrounded Dr. Salk's work, which was done in collaboration with Dr. Clarence J. Gibbs of the National Institute of Health in Bethesda, Maryland, and Alexandra Levine of the University of Southern California in Los Angeles, California. The group's approach appears to have overcome the virus in a small study of infected chimpanzees.

Once a person has been infected by a virus, the immune system will normally protect it against future infections by producing antibodies that attack the virus.

Vaccines usually use weakened or dead viruses, which when injected in low doses stimulate the immune system into protecting the body. But that approach has not proved successful with AIDS.

The Salk AIDS vaccine is made from a part of the core of the AIDS virus. Dr. Salk's group injected the vaccine into two chimpanzees that were infected with the human immunodeficiency virus, or HIV, which causes AIDS, and in one that was not infected. Tests showed that the virus disappeared from both infected animals.

The researchers then injected HIV into all three chimpanzees. After more than a year, the vaccine has successfully fought off infection in two of the animals, but not in the third.

The Salk group also used the vaccine on 19 persons, all of whom had been infected with HIV and had seriously depleted immune systems. The virus remained in all of them, but a year later, only one of the subjects had developed AIDS. Dr. Salk said that there was no way yet to tell whether the vaccine had helped the patients or not and that the study was primarily designed to test the safety of the vaccine.

"This and other developments mean that the diagnosis of HIV infection need not be regarded as a death sentence," Dr. Salk said.

The use of a vaccine after exposure to a virus suggests that, if the tests prove successful, it could help prevent infection and treat those who are already infected.

"These are very exciting but very preliminary findings," said a leading AIDS researcher at the National Cancer Institute, Robert C. Gallo. "They need to be repeated, confirmed and studied."

Scientists reported on a variety of approaches that showed promise, including one in which the researchers at Duke University, Repligen Corp. and Merck & Co. identified a small molecule on the surface of the AIDS virus that, when incorporated into an experimental vaccine, appeared to stimulate cells of the immune system to make antibodies that attacked the AIDS virus.

The researchers said that although the vaccine is made from a small portion of the virus, they hoped that when the particle of the virus was injected into humans the immune system would recognize it as if it were the whole virus. Early experiments indicate that the strategy works.

■ Bush Favors Private Tests

President George Bush has said that people have a right to medical privacy, and their sex partners should not be subjected to mandatory tracing for the AIDS virus, United Press International reported.

Mr. Bush said Thursday that he opposed an end to anonymous testing for the AIDS virus because "there is a certain right to privacy that we should respect."

"I would like to suggest that records like that should be kept private," Mr. Bush said. "But I do encourage people to come forward and talk to their doctor" about their sexual activities and partners.

Robert Giroux/Agence France-Presse

Dr. Jonas E. Salk, right, and Dr. Clarence J. Gibbs of the National Institute of Health at a press conference in Montreal. They were discussing the latest findings in the search for AIDS vaccines.

Managua Sent Noriega Arms

Weapons Intended to Deter Attack by U.S. on Panama

By Julia Preston
Washington Post Service

MIAMI — The Nicaraguan Army sent several planeloads of Soviet-bloc weapons to Panama in recent months to help General Manuel Antonio Noriega prepare his forces for a U.S. military attack, according to Sandinista military and U.S. nondiplomatic sources in Managua.

The shipments included many dozens of AK-47 rifles, ammunition and Soviet-bloc arms for guerrilla warfare, such as grenade launchers and light artillery, sources said.

The Sandinistas were told that some, if not all, the weapons they provided were being used to equip the Dignity Battalions, a militia of about 1,500 civilians that General Noriega formed last year as part of preparations against a U.S. attack.

In Washington, a State Department spokesman, Adam Shub, said Thursday that "we can confirm that Nicaragua sent weapons to Panama," but he declined to elaborate.

Nicaragua has emerged as General Noriega's only Latin American ally since the government he controls annulled May 7 elections that were said to have been won overwhelmingly by the opposition. The Sandinista government was the only nation to side with Panama in several important votes at the Organization of American States, which is struggling to forge a peaceful solution to the political crisis in Panama.

But Nicaraguan officials appear to be divided about General Noriega.

In private, one civilian official in Managua, echoing a widely held view, called General Noriega a "cancer" in Panama's National Defense Forces. The Sandinistas also are wary of General Noriega because he allowed U.S.-backed contra rebels to train in Panama. According to evidence that has come to light in the Iran-contra affair, he also offered to help Washington mount commando attacks against government targets in Nicaragua.

However, Sandinista military leaders are more concerned about what they view as the strong possibility of U.S. military intervention in Panama to overthrow General Noriega. Preparing to do battle directly with U.S. troops is the central tenet of Sandinista military doctrine, and Managua's strategists believe that any U.S. military action in Panama would increase the chances for a similar assault in Nicaragua.

About 13,200 U.S. troops are currently stationed at bases in Panama. After the elections were annulled, President George Bush added 1,900 troops to the contingent to protect Americans in Panama.

The Sandinistas' ties to General Noriega date to a decade ago when he was the top intelligence officer under General Omar Torrijos, who was then the Panamanian leader. General Torrijos provided arms to help Sandinista guerrillas topple the Nicaraguan dictator, General Anastasio Somoza.

Today, Managua also sees a parallel with Panama because the Nicaraguan government has scheduled national elections for February 1990. The Sandinistas fear that Washington will attempt to discredit that vote to justify renewing military aid to the contras, now idled in camps in Honduras and supported only by nonlethal U.S. assistance.

Accordingly, they have been sympathetic to General Noriega's charges of U.S. meddling in the May 7 balloting, even though allegations have been ignored by other Latin governments.

On the eve of Panama's elections, the Nicaraguan defense minister, General Humberto Ortega Saavedra, put his 70,000 troops on full combat alert. General Ortega said then that he had not received any request from Panama for troops, but he did not rule out a Nicaraguan deployment there.

On May 10, a band of Noriega supporters wearing Dignity Battalion T-shirts were seen firing AK-47 rifles into the air to break up an opposition street march in Panama City. The same group beat the presidential and vice presidential candidates and killed one of their bodyguards.

Some movement of weapons and of smaller numbers of Nicaraguan military personnel to Panama is continuing, a diplomat in Managua with access to Latin intelligence services said.

■ Visit by OAS Chief

Robert Pear of The New York Times reported from Washington:

The secretary-general of the Organization of American States is to return to Panama on Sunday to try to work out a plan under which General Noriega would agree to surrender power.

The secretary-general, João Clemente Baena Soares, has been confident he can achieve success.

"There is a general expectation of arriving at a solution," he said in an interview.

But U.S. officials are less optimistic. They note that General Noriega has outfoxed more than a few negotiators in the past.

Officials of the organization who visited General Noriega last month got the impression that he might be willing to step down if he could retire in a dignified manner, without being branded a criminal or being forced to leave.

General Noriega has been indicted on drug-trafficking charges by two federal grand juries in Florida, and President Bush has said he would not permit the charges to be dropped.

The general is also accused of having presided over widespread election fraud in May.

On May 17, the OAS condemned electoral abuses by General Noriega and established a four-member team to to achieve a transition to democratic government in Panama "in the shortest possible time."

The team consists of Mr. Baena Soares and the foreign ministers of Ecuador, Guatemala and Trinidad and Tobago. On Tuesday, the OAS gave the team a six-week extension, to July 19.

Tehran Crowds Cheer Selection of Khamenei

By Patrick E. Tyler
Washington Post Service

TEHRAN — *A huge prayer rally* here Friday cheered the appointment of Ayatollah Ali Khamenei as Iran's spiritual leader, and the nation's grand ayatollahs were told they would have to obey the new leader, even though he is not their equal in Islamic religious training.

Addressing a crowd of more than 250,000 that spilled out of Tehran University into the city's streets, the speaker of parliament, Hashemi Rafsanjani, defended the decision of the 83-member council of theologians who selected Ayatollah Khamenei last weekend after the death of Ayatollah Ruhollah Khomeini.

Who is more qualified to lead the country, Mr. Rafsanjani asked, "he who is more skilled in social, economic, cultural and political issues — the basic issues of the state — or he who is in the theological school?"

He said there are "very nice people" in the theological seminary in the holy city of Qum, where Ayatollah Khomeini received his religious training in the 1930s.

"But they have no information on banks, insurance, judicial system and the economy," he added.

He said that experience in social and foreign policy, skills gained by Ayatollah Khamenei during the eight years he has served as president, had "priority" over traditional religious training.

"At the least, it is equal to this training," Mr. Rafsanjani said, "but perhaps you will say it is more."

The prayer rally was warmed up by a longtime associate of Ayatollah Khomeini's, Ayatollah Taheri Khorramabadi, who called on all Iranians when they hear the name of the new leader to chant together the *salavat*, or Islamic refrain that means, "hail and greetings to Mohammed and his descendants."

During Ayatollah Khomeini's 10-year tenure as spiritual leader, the salavat was chanted three times at the mention of his name in public.

Another prayer leader, who is known as the "minister of slogans" asked the crowd to practice the tribute to the new leader, and the crowd chanted the greeting. But the slogan master chided them, "No, no, this is not the voice of millions. Do it again."

Several leading radicals, such as Prime Minister Mir Hussein Mousavi and Interior Minister Ali Akbar Mohtashemi, were present.

"The most important thing is that we made a very swift movement," Mr. Rafsanjani said, referring to Ayatollah Khamenei's selection within a day of Ayatollah Khomeini's death last Saturday.

"We astonished the world," he added, "and right now all of those wrong interpretations of power struggles and radicals versus moderates are dismissed."

He said many Westerners expected Iran to seal its borders upon Ayatollah Khomeini's death to brace for a leadership struggle.

"The world saw that if the Islamic republic needs to make a decision," he continued, "all of us become one."

Mr. Rafsanjani, in the traditional manner of Friday prayer leaders, spoke and gestured with his right hand while his left hand clutched the barrel of an assault rifle, a symbol of revolutionary readiness.

Soviet Pilot Released From Hospital in Paris

The Associated Press

PARIS — Anatoli Kvochur, the Soviet pilot who was injured when he ejected from his MiG-29 jet fighter just before it crashed Thursday at the Paris Air Show, was released Friday from a military hospital, the Soviet Embassy said.

Mr. Kvochur, 37, was conscious and talking when he was airlifted to Begin Military Hospital with stomach injuries minutes after his jet exploded Thursday in front of hundreds of reporters, exhibitors and visitors at the air show at Le Bourget airport.

U.S. Position On Missiles May Rebuff Joint Chiefs

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The Bush administration will reject changes proposed by the Joint Chiefs of Staff in the U.S. position on missile defenses when arms control negotiations resume June 19, officials predict.

The changes, which would have moved the U.S. position closer to that of the Soviet Union and possibly improved chances for an early accord to reduce strategic arms, were discussed at a meeting of the National Security Council on Wednesday that was chaired by President George Bush.

No final decision was made but no other agency representatives supported the changes urged by Admiral William J. Crowe Jr., chairman of the Joint Chiefs of Staff, and Secretary of Defense Dick Cheney also opposed them, the officials said.

One proposal would have modified the Reagan administration's demand that the United States be allowed to deploy a missile defense after an agreed period of adherence to the 1972 Anti-Ballistic Missile Treaty, which bans such defenses.

U.S. and Soviet negotiators have discussed but not agreed that both sides would pledge adherence for 10 years. The Soviet position, opposed by President Ronald Reagan, was that neither side can withdraw from the treaty afterward unless its "supreme interests" have been jeopardized and six months' notice has been provided.

Paul H. Nitze, a senior U.S. arms control adviser to Mr. Reagan, criticized the administration's stance in a speech at Harvard in November, arguing that "freeing the sides from ABM treaty constraints on a date certainly could be destabilizing" because the Soviets could then walk away from the treaty and deploy missile defenses more rapidly than the United States. Admiral Crowe offered a similar rationale for adopting the Soviet position, but other officials argued against any shift on grounds that the Soviets could eventually abandon their demand.

Admiral Crowe also urged that the United States reach agreement with the Soviet Union on the distinction between unsophisticated testing, which is permitted by the ABM treaty, and advanced testing and missile deployments, which the treaty bars. Mr. Nitze had made a similar recommendation.

This position is contrary to the Reagan administration's determination that the issue could be settled through a unilateral U.S. declaration on the number of defense-related satellites that either side could for tests without abrogating the treaty.

The Reagan administration also demanded the right to deploy an unlimited number of sensors in space, some of which could be used in a missile defense.

Officials from other agencies argued that U.S. negotiators should continue to reject Soviet offers to discuss the issue in detail and reach accord.

They said that the test program of the Pentagon's Strategic Defense Initiative program, which is aimed at developing a comprehensive U.S. missile defense, should not be constrained in any way.

Mr. Bush has not stated whether he still accepted the Reagan administration's reading of the ABM treaty, allowing unconstrained missile tests. He has instead advanced a more general view that the United States must "fully protect our options" for deploying such a defense.

■ Baker Urges Soviet Action

Earlier, David Ottaway of The Washington Post reported from Washington.

Secretary of State James A. Baker 3d called upon President Mikhail S. Gorbachev of the Soviet Union to announce during his visit to West Germany next week that the Soviet Union will reduce "unilaterally" its short-range nuclear forces in response to NATO's latest proposals to reduce troops and arms.

"The time is ripe for Mr. Gorbachev to respond positively to the opportunities presented by NATO's initiatives," Mr. Baker said.

U.S. Urges PLO to Endorse Vote in West Bank and Gaza

By Thomas L. Friedman
New York Times Service

WASHINGTON — The United States formally asked the Palestine Liberation Organization on Thursday to allow Palestinian residents of the Israeli-occupied West Bank and Gaza Strip to vote in Israeli-sponsored elections.

The PLO did not respond positively to the request, which was put forward in a four-hour meeting in Tunis between Ambassador Robert H. Pelletreau Jr. and a three-member PLO delegation. But the Palestinians indicated enough interest in the election idea, officials said, that the United States felt encouraged to keep the dialogue going.

The latest developments came as 92 senators signed a letter to Secretary of State James A. Baker 3d urging him to be "fully supportive, both in fact and appearance," of Prime Minister Yitzhak Shamir's proposal to allow West Bank Palestinians to elect a leadership to negotiate with Israel.

The letter was tacitly encouraged by Israeli officials and the American Israel Public Affairs Committee, the leading pro-Israeli lobby, after Mr. Baker's Middle East policy speech of May 22. In that talk, he advanced what the administration considered to be a balanced approach to the conflict.

■ U.S. Vetoes UN Move

The United States on Friday vetoed a Security Council resolution as "unbalanced" because it condemned Israel's crackdown in the occupied territories, while ignoring violence by Palestinians, The Associated Press reported.

The vote was 14-1. Britain, France and Canada voted against the United States and in favor of the resolution.

WORLD BRIEFS

Uno Dodges Question on Geisha Girl

TOKYO (NYT) — Prime Minister Sousuke Uno told a female member of the Socialist Party on Friday in parliament who assailed him over reports that he had a sexual relationship with a geisha girl, "You refer to my personal case, but I would like to refrain from commenting on these reports in public."

Mr. Uno, 66, was confronted about the reports less than a week after taking office with a promise to clean up government corruption.

The prime minister, whose office denied the charges after they appeared in the press, was confronted by Manae Kubota, who said "the public, especially women, are looking at this situation with shame and grief," adding that Mr. Uno's "international credibility" was at stake. A magazine reported that he had had a four-year relationship with the geisha.

Howe Plans July Visit to Hong Kong

LONDON (AP) — Sir Geoffrey Howe, the British foreign secretary, is to visit Hong Kong in early July, the government said Friday, to try to restore confidence in the colony, which is to revert to China in 1997.

The Foreign Office said that Sir Geoffrey would confer with the governor, Sir David Wilson, on the "implications" of the bloody suppression in China of pro-democracy demonstrations. The date of the visit has not been confirmed.

Sir Geoffrey also is to discuss the influx of Vietnamese refugees in Hong Kong. Sir David said the refugees, now arriving at the rate of 500 a day, are causing anger among the Hong Kong Chinese and he wants them to be sent home forcibly.

NATO Asks East-West Trade of Data

VIENNA (AP) — NATO ambassadors proposed on Friday an unprecedented exchange of information among East, West and neutral nations about military forces in Europe.

The proposal, made at talks between 35 nations on building confidence, calls for a data bank that would make available details on armies, forces and weapons deployment, arms procurement and other matters.

It is one of a series of suggestions presented by the Netherlands on behalf of the alliance at a closed session of the conference, attended by the United States and Canada, the Soviet Union and all European nations except Albania. They are discussing confidence and security-building measures to verify and enhance other arms agreements.

Salvador Cabinet Minister Is Killed

SAN SALVADOR (AP) — A cabinet minister regarded as President Alfredo Cristiani's closest adviser was shot and killed Friday by unidentified attackers in a machine-gun ambush, the police said. A driver and a bodyguard also were killed.

There was no immediate claim of responsibility for the killing of José Antonio Rodríguez Porth, 73, the minister of the presidency and considered the chief of staff.

The attack occurred shortly after Mr. Rodríguez left his home in the western part of the city in a bullet-proof car. There was no immediate claim of responsibility, but leftist guerrillas of the Farabundo Martí National Liberation Front, who tried to disrupt the election that brought Mr. Cristiani to power on June 1, vowed before his inauguration to make El Salvador "ungovernable."

EC Bans Imports of African Ivory

LUXEMBOURG (AP) — The European Community decided Friday to ban ivory imports from Africa and support international efforts to protect the elephant from extinction.

The 12 EC environment ministers, who had been pressed by Britain to discuss the problem, said the ban was necessary because the remaining African elephants were being killed for their ivory. The EC is estimated to account for 20 percent of world demand for ivory, which has become more expensive as supplies worldwide have diminished. Asians form an especially large part of the market for ivory.

U.S. Accepts Turks' Soviet Defector

ANKARA (AP) — A Soviet Air Force pilot who defected to Turkey in a MiG-29 jet fighter was flown to the United States on Friday after U.S. authorities granted him asylum, the Foreign Ministry said.

An Istanbul daily newspaper said that Captain Alexander Zuyev defected on May 20 because he feared President Mikhail S. Gorbachev's social and economic reforms would drive the Soviet Union into a civil war.

The Foreign Ministry said that Captain Zuyev was handed over to U.S. officials and taken aboard a U.S. military plane. A Soviet official in Turkey said that Captain Zuyev should have been extradited to the Soviet Union, as Moscow had requested. Turkish officials sent the MiG-29 jet back to the Soviet Union a day after the incident.

For the Record

Alaska has postponed the sale of oil and gas leases for at least a year. James Eason, director of the state Division of Oil and Gas, said that because of a lack of money and staff the agency and decided to concentrate on other responsibilities. *(UPI)*

Anti-government guerrillas in Suriname have signed an accord with the authorities to halt three years of hostilities, a rebel spokesman said in The Hague. More than 500 people have died in the conflict. *(AFP)*

Bangladesh has disclosed that almost 30,000 Chakma tribespeople had fled the Chittagong Hill Tracts district to refugee camps in India. Rebels of the Shanti Bahini group have been waging a war for 14 years to dislodge Bengali Moslem settlers and gain autonomy for the region. *(AFP)*

TRAVEL UPDATE

More European Air Delays Predicted

BRUSSELS (Reuters) — Vacationers risk spending more time waiting at airports than in the air this summer as Europe's air traffic congestion worsens, the Association of European Airlines said Friday.

The association, which groups 21 scheduled airlines, said 23.7 percent of short and medium-distance departures were delayed by more than 15 minutes in April — the worst rate ever.

U.S. airport screening is catching a record 93 percent of mock weapons concealed by agents in tests of the system, according to U.S. authorities, but airlines still are being fined for letting some slip through.

Romans living near the Spanish Steps want to build a barrier to seal the staircase at night from muggers, prostitutes and drug addicts. Residents said they would be willing to put up 800 million lire ($600,000) to restore the steps if they can be assured peace and quiet in return. *(Reuters)*

Spanish public sector workers launched a 24-hour strike Friday, paralyzing transport, causing traffic jams up to 20 kilometers (12 miles) around the capital and leaving mail piled up in post offices. *(AFP)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	—	—	14	57	pc
Amsterdam	16	61	11	52	cl
Athens	26	79	22	72	fr
Barcelona	21	70	17	63	fr
Belgrade	22	72	16	61	fr
Berlin	17	63	14	57	fr
Brussels	18	64	10	50	fr
Budapest	22	72	15	59	fr
Copenhagen	12	54	14	57	cl
Costa Del Sol	22	72	17	63	fr
Dublin	14	57	12	54	r
Edinburgh	13	55	7	45	cl
Florence	24	75	13	55	fr
Frankfurt	19	66	11	52	fr
Geneva	21	70	11	52	fr
Helsinki	—	—	11	52	cl
Las Palmas	22	72	19	66	fr
Lisbon	21	70	13	55	fr
London	16	61	11	52	r
Luxembourg	15	59	9	48	cl
Madrid	22	72	12	54	fr
Milan	21	70	14	57	fr
Moscow	29	84	23	73	fr
Munich	18	64	9	48	fr
Nice	—	—	—	—	na
Oslo	16	61	12	54	r
Paris	—	—	—	—	na
Prague	17	63	11	52	fr
Reykjavik	10	50	9	48	cl
Rome	23	73	16	61	fr
Stockholm	17	63	12	54	r
Strasbourg	—	—	—	—	na
Venice	22	72	11	52	fr
Vienna	20	68	12	54	fr
Warsaw	18	64	12	54	fr
Zurich	19	66	9	48	fr
MIDDLE EAST					
Ankara	—	—	16	61	fr
Cairo	29	84	16	61	fr
Istanbul	22	72	22	72	fr
Jerusalem	21	70	15	59	fr
Tel Aviv	26	79	17	63	fr
OCEANIA					
Auckland	—	—	—	—	na
Sydney	—	—	—	—	na

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	25	77	t
Beijing	34	93	19	66	t
Hong Kong	30	86	27	81	r
Manila	33	91	25	77	t
New Delhi	—	—	—	—	na
Seoul	19	66	14	57	r
Shanghai	—	—	—	—	na
Singapore	29	84	24	75	t
Taipei	25	77	23	73	r
Tokyo	14	57	12	54	r
AFRICA					
Algiers	26	77	19	66	cl
Cape Town	18	64	8	46	r
Casablanca	21	70	18	64	r
Harare	19	66	13	55	r
Lagos	—	—	—	—	na
Nairobi	22	72	17	63	t
Tunis	22	90	22	72	t
LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Lima	—	—	—	—	na
Mexico City	30	86	13	55	t
Rio de Janeiro	—	—	—	—	na
NORTH AMERICA					
Anchorage	13	55	11	52	sh
Atlanta	29	84	18	64	t
Boston	21	70	13	55	t
Chicago	24	75	18	64	t
Denver	28	82	17	63	t
Detroit	26	79	13	55	t
Honolulu	30	86	21	70	t
Houston	34	93	22	72	t
Los Angeles	28	82	15	59	t
Miami	32	90	24	75	t
Minneapolis	21	70	11	52	t
Montreal	24	75	13	55	t
Nassau	31	88	24	75	t
New York	22	72	14	61	t
Phoenix	37	99	22	72	t
San Francisco	19	66	10	50	t
Seattle	19	66	10	50	t
Toronto	25	77	13	55	t
Washington	29	84	19	66	t

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

SATURDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Fair. Temp. 24 — 12 (75 — 54). LONDON: Rain. Temp. 16 — 11 (64 — 52). MADRID: Fair. Temp. 24 — 12 (75 — 54). NEW YORK: Partly cloudy. Temp. 28 — 15 (82 — 59). PARIS: Showers. Temp. 21 — 12 (70 — 54). ROME: Fair. Temp. 28 — 13 (77 — 55). TEL AVIV: Fair. Temp. 30 — 16 (86 — 61). ZURICH: Fair. Temp. 24 — 13 (75 — 55). BANGKOK: NA. HONG KONG: NA. MANILA: NA. SEOUL: NA. SINGAPORE: NA. TOKYO: NA.

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EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. English speak., evangelical, all denominations. S.S. 9:45; Worship: 10:45. Other activities. Call Dr. B.C. Thomas, Pastor. 47.49.15.29/-47.51.29.63.

INTERNATIONAL BAPTIST FELLOWSHIP meets at 123 Ave. du Maine, Metro Gaité. Vesper Service in English every Sunday evening at 6:30. Tel.: 47.49.15.29/47.51.29.63.

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INT'L EVANG. CHURCH, (Rock Church), Temppeliaukio, Lutherinkatu, 15:00. Tel.: 090-406091 & 446776.

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VIENNA
VIENNA COMMUNITY CHURCH: A-1010 Vienna, Austria, Dorotheergasse 16. Services Sundays 11:30 a.m.

AMERICAN TOPICS

A Monumental Idea: Save the Car Wash

The Los Angeles Cultural Heritage Commission usually considers preservation of such artifacts as Victorian mansions, but now it is studying a monument to another aspect of Southern California culture: a combination car wash and gas station built during the 1950s.

Jack McGrath, organizer of the campaign to preserve the building, said, "A gas station and car wash is as integral a part of the development of Southern California as the freeway."

Homeowners have urged the commission to grant the car wash monument status to keep yet another developer from tearing it down and putting up yet another mini-mall.

Short Takes

For decades, the U.S. military, naval and air force academies have enrolled Filipinos and South Americans. In 1983, Congress opened the academies to citizens of all friendly countries and increased the 72 available slots to 100. The theory is that potential foreign leaders will absorb "American democratic ideals," a Pentagon spokesman said. It doesn't always work out that way. One West Point alumnus, class of 1946, was the Nicaraguan dictator Anastasio Somoza.

Of the 2,500 colleges and universities in the United States, "The College Handbook" lists 137 single-sex schools, two-thirds of them for women only. Most are private, but in New Jersey, Douglass College, which is part of the state university system, has 3,157 full-time students, all of them female. Most of the 45 all-male colleges are seminaries.

Notes About People

Garry Trudeau, who draws the "Doonesbury" cartoon strip, had such fun with a sequence on the peaceful demonstrations in Tiananmen Square in Beijing that he prepared another sequence on it in advance for release next week. It showed the students disbanding when the authorities announce final examinations. But the strip was overtaken by bloody reality. "A bad miscalculation," Mr. Trudeau said, "and obviously inappropriate." The Universal Press Syndicate asked newspapers that run Doonesbury, including this one, to drop the sequence as "unusable." The syndicate sent a substitute sequence for next week.

Henry A. Kissinger, a former U.S. secretary of state, remarked as Wagner's Ring cycle opened in Washington last week, "Wagner's music is the kind that you sit down and start playing at 6:30; you play it all night, and then look at your watch and it's 6:45."

Arthur Higbee

Bill Feig/The Associated Press

IN THE WAKE OF A TWISTER — Ruins of the town of Grosse Tete, Louisiana, following a tornado. Two were killed in the storm, one of several to hit the Baton Rouge area.

The Biggest Mall of Them All

800-Shop Minnesota Center to Include Roller Coaster

By Isabel Wilkerson
New York Times Service

BLOOMINGTON, Minn. — The world may not need another mall but it is getting one anyhow.

Not an ordinary shopping center, but one that an industry observer says will be the biggest in the world — 10 times the size of the malls most people usually cart their shopping bags through.

Its official name will be the Mall of America, but it is already being called simply "the Megamall."

It will rise on 78 acres (31 hectares) in this quiet suburb of Minneapolis and, when completed in the late 1990s, is expected to offer shopping addicts 9.5 million square feet (almost 1 million square meters) of utopia.

That would be nearly twice the size of the world's current titleholder, the West Edmonton Mall in Alberta, Canada, and three times the size of the largest mall in the U.S., the Delamo Fashion Center in Torrance, California.

Construction will begin next week with fanfare befitting a megamall. At the ground-breaking next Wednesday, a squadron of F-14 fighter planes will soar overhead and a band will play the "1812 Overture" as local and state dignitaries turn the first mound of dirt.

The first phase of the mall will emerge in 1992, big enough to hold 78 football fields, according to Melvin Simon & Associates, the leading developer of malls in the United States. The company is a partner in the Bloomington project with the Triple Five Corp. of Edmonton, builders of the West Edmonton Mall.

Bloomington officials are gleefully saying that there will be no way that shoppers can browse the rectangular mall in even 10 or 12 hours.

After all, shoppers will have to walk a quarter mile along one street to get from an anchor store in one corner of the complex to the next, passing nearly 800 specialty shops lining four indoor streets on three levels.

Bloomingdale's, Nordstrom and Carson Pirie Scott have signed on as three of the four anchors.

But stores are not the half of it. A roller coaster will roar through the middle of the mall and a creek will babble past flume rides and merry-go-rounds in the mall's 300,000-square-foot, indoor amusement park.

And this, of course, does not include the 100 nightclubs and restaurants, the 18 theaters, the miniature golf course and the health club elsewhere in the mall.

John E. Riordan, executive vice president of the International Council of Shopping Centers, a mall advocacy group, said: "I know of no other mall anywhere in the world that even comes close. This will be a colossus and an extraordinary event. A lot of people are saying, 'How can it be?' "

It can be because it has been a singular goal in Bloomington for years.

Bloomington used to be known as the place where the Minnesota Vikings and Twins played. But the teams left in the early 1980s when the Metrodome opened in Minneapolis a few miles to the north.

"From the day our stadium closed, we have tried to regain that national reputation," said Rick Geshwiler, the Bloomington director of planning.

The answer was something big, something flashy that would bring in people from all over the Middle West, maybe the whole country.

City officials bought the stadium property, changed zoning laws, scouted developers — all with visions of a bigger property tax base dancing in their heads.

The coming of the megamall follows three decades in which malls have transformed the way people shop and entertain themselves.

At least once a month, 94 percent of all adults in the U.S. visit a mall to make a purchase, see a movie, browse and even date, Mr. Riordan said.

Since the first enclosed shopping mall opened 33 years ago in Edina, Minnesota, also outside Minneapolis, malls have accounted for an increasing share of all retail sales. Last year it amounted to $627 billion or more than half of all retail purchases other than cars and gasoline, Mr. Riordan said.

And despite decades-old warnings against wanton consumerism, malls are growing, not shrinking. Every year, 200 million square feet of space are added to the existing stock, either with expansions or new malls, he added.

Salvador Supplied U.S. Fuel to North

By Walter Pincus
Washington Post Service

WASHINGTON — The General Accounting Office has confirmed that aircraft fuel, supplied as part of U.S. military aid to El Salvador, was used in the secret operation run by Oliver L. North to power aircraft that dropped arms to the Nicaraguan contras at a time Congress had barred such assistance.

The assistant comptroller general, Frank C. Conahan, said his agency's investigation found that the Salvadoran air force sold $800,000 worth of U.S.-supplied fuel to aircraft that flew out of the Ilopango air base outside San Salvador during a two-year period, and that $100,000 of it was purchased in cash by the organization directed by Mr. North.

Mr. Conahan, appearing Thursday before a Senate appropriations subcommittee, said these transfers "violated agreements between the United States and El Salvador." U.S.-supplied defense items, he testified, "cannot be transferred without prior U.S. government consent. We found no evidence that such consent was sought or obtained."

Senator Tom Harkin, an Iowa Democrat who for several years has pursued the use of U.S. fuel by the North operation, repeatedly pointed out Thursday his view that the sale of fuel to the contra resupply organization also violated the Boland amendment in effect at that time. The amendment barred U.S. military aid to the rebels fighting the government of Nicaragua.

An acting assistant secretary of state, Michael G. Kozak, told the subcommittee that the new government in El Salvador was made aware of the GAO report and indicated it was willing to take some steps to refund the $800,000.

Mr. Kozak said one possibility that has been raised was a proposal to refuel Vice President Dan Quayle's plane for free when he visits El Salvador.

4 Diplomatic Nominees Clear Senate Panel

Washington Post Service

WASHINGTON — The Senate Foreign Relations Committee has sent to the Senate four diplomatic nominations, including one that had been tied up for two months because of questions over the Iran-contra affair. It also approved $4.6 billion for State Department operations next year.

One delayed appointee, John D. Negroponte, President George Bush's choice to be ambassador to Mexico, was U.S. envoy to Honduras at a time that President Ronald Reagan approved a secret plan to reward Honduras for its support of the contra rebels.

Mr. Negroponte insisted during his confirmation hearing that he had no knowledge of an arrangement with Honduras. Senator Christopher J. Dodd, Democrat of Connecticut and chairman of the subcommittee on Western Hemisphere affairs, said he and other members were satisfied with Mr. Negroponte's responses to additional questions.

In addition to Mr. Negroponte, the committee sent to the Senate the nominations of John Kelly to be assistant secretary of state for Near East and South Asian affairs; Bernard Aronson to be assistant secretary for inter-American affairs, and former Senator Chic Hecht of Nevada to be ambassador to the Bahamas.

The committee has scheduled a vote on another nominee, Donald P. Gregg, for June 20. Mr. Gregg, the nominee for ambassador to South Korea, was national security advisor to Mr. Bush when he was vice president. The committee has requested more documents from the White House to clarify what Mr. Gregg knew about Iran-contra operations.

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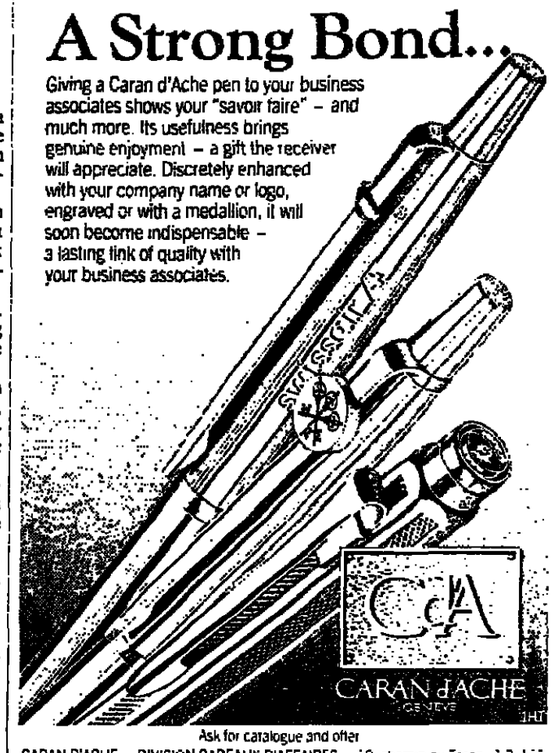

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Herald Tribune INTERNATIONAL
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Why Hurt Tax Reform?

Question: How can Congress deliver on its agreement with the Bush administration to generate an extra $5.3 billion in new revenues for the next fiscal year? The answer would appear simple but painful: Raise taxes. But the House Ways and Means Committee chairman, Dan Rostenkowski, is flirting with a more imaginative idea: Cut the capital gains tax, temporarily.

It takes a special genius to lower the deficit by cutting taxes. Or a special gimmick. Unfortunately, Mr. Rostenkowski's rumination offers only the latter. A temporary reduction in the capital gains tax would surely produce more revenues next year. Families would rush to sell stocks, bonds and real estate in 1990 before the tax rate went back up again. The Treasury would pick up a windfall gain. So would families with assets that have appreciated in value.

If those were the only consequences, Mr. Rostenkowski would turn out to be a hero. But wait a couple of years. Families would own fewer assets whose values had greatly appreciated. So asset sales would produce less income for the Federal Treasury than otherwise.

Mr. Rostenkowski's idea solves next year's budget problem only by worsening budget imbalances every year thereafter. That's not just gimmickry; it's perverse gimmickry.

Once the tax is lowered temporarily, bet on Congress to make the change permanent. This destructive proposal never dies. Perhaps it survives because there is truth to the accusation that the current rules for taxing capital gains are unfair. Say you bought a share of stock for $100 in 1969 and sell it this year for $300. Because consumer prices have tripled, the stock has produced no real income. But Internal Revenue says that you have $200 worth of taxable income. These rules discourage long-term productive investments.

The way to fix this problem is not to arbitrarily lower the taxation of capital gains below the rate on ordinary income. Such a subsidy is unrelated to the impact of inflation. Rather the answer is to index capital gains so that the effects of inflation are subtracted before the tax is levied. If such indexation were in effect, your $300 sale of stock would now go untaxed.

Worse, to correct for inflation by lowering the capital gains tax would invite economic havoc. The 1986 tax reform lowered taxes on rich families from 50 percent to 28 percent in exchange for eliminating a number of tax shelters, notably the lower capital gains rate. To strip away one part of the compromise would invite a piecemeal unraveling of the entire tax reform package.

The 1986 package was far from perfect. But it did improve both economic productivity and fairness. Eliminating the subsidy for capital gains is fair because capital gains are earned overwhelmingly by wealthy families. It has also made sense for the economy.

If capital gains income is taxed less, investors will seek projects that produce income in that form. The economy would be better served by projects that produce the most income no matter what its form. By taxing all income equally, the 1986 reform accomplished this important goal.

How sad and paradoxical that Mr. Rostenkowski, a primary architect of the 1986 tax reform, now ponders undermining it. And all to preserve the illusion of budgetary discipline. Lowering the capital gains tax is not like so many other budgetary gimmicks that Congress passes. Often, they are offensive only because they are deceptive. This one is economically malignant.

— THE NEW YORK TIMES.

No False Flailing

Dan Quayle has made so many quotable bloopers in his brief time as vice president that he gets tagged even for things he didn't say.

For instance, consider this howler: "I was recently on a tour of Latin America, and the only regret I have was that I didn't study Latin harder in school so I could converse with those people."

Representative Claudine Schneider of Rhode Island, a Republican, is the original source. She says she told the story as a joke to a group of party faithful. But it quickly spread as fact.

Comedians, politicians and some journalists added it to the list of genuine Quayle slips.

The vice president is also dogged by other recurring reports.

For instance, a newspaper reported on a White House meeting called to discuss emergencies in which the vice president might be called on to assume presidential powers.

Mrs. Quayle supposedly asked many questions. An obvious inference might be that she has a more inquiring mind than her husband. In fact, Mrs. Quayle didn't attend that meeting.

Some stories may seem too good not to be true. But even if funny, they're false.

— THE NEW YORK TIMES.

A Weaker Crime Bill

President George Bush's crime bill has some of the pluses and minuses characteristic of such legislative packages, and now one of the pluses is under threat from members of Mr. Bush's own party in Congress.

The president had responded to the pleas of every major law enforcement organization in the country for gun control legislation that would provide them more protection against armed criminals, and especially against criminals using weaponry that has no place in a civilian world. This is precisely the part of the Comprehensive Crime Control Act that the legislators now would sabotage.

In a letter to the president, 70 Republican lawmakers are urging that "any gun-related proposals, other than enhanced death penalties, be sent to Capitol Hill in a package separate from your crime-related proposals." Translation: The National Rifle Association top brass wants to kill President Bush's proposal to ban the manufacture or sale of gun magazines capable of holding more than 15 rounds.

President Bush's anti-crime package was designed to address different constituencies and different parts of the crime problem. His proposal on magazines — as well as one for a permanent ban on imported assault weapons that are deemed not to have any sporting purpose — comes coupled with a call for tougher penalties for the possession or use of firearms in crimes. These complementary provisions form an outline for a serious congressional response to growing public concern about the all-too-free flow of weapons into the world of crime and drugs.

Police — the men and women regularly risking and sometimes losing their lives on the front lines — are fed up with the destructive legislative efforts of the NRA's semi-automatic mouthpieces in the House and Senate. President Bush's developing concern about this issue deserves the encouragement of every legislator who understands the desperation of law enforcement authorities and of citizens who live in America's terrorized neighborhoods.

— THE WASHINGTON POST.

Other Comment

China: The Legacy of Force

In the short term, whether the brutal exercise of force in Beijing will dampen open expressions of public discontent or encourage more outbursts of anger throughout the country remains to be seen. But in a longer perspective, the plain fact is that Deng Xiaoping is very near the end of his life and Li Peng's need to bolster his own position is becoming more and more urgent. Under these circumstances, the likelihood of a long period of restiveness in China seems inevitable. The army was called in to sustain the existing leadership and has paid a heavy price in terms of its standing among the masses of Chinese people.

The seductively simple option of restoring law and order through the use of armed force has at one stroke thrown into doubt the whole question of a smooth transition to control of Hong Kong, the possibility of a peaceful solution to the Taiwan question and the access to Western technology, both military and civilian, which is seen as so important to China's future. Perhaps in the context of a vast nation which has seen millions of casualties in its march to genuine statehood the casualties which have occurred in Beijing may seem relatively minor.

But the truth is that they will remain a leaden and agonizing burden for any Chinese leader who succeeds Mr. Deng.

— The Australian Financial Review.

The British Dilemma

The brutal military suppression of protesters in China last weekend has produced a tricky problem for the British government. It is how to provide reassurance to the 5.6 million Hong Kong residents that the Chinese government will respect the letter and spirit of the 1984 Sino-British accord. Failing this, Britain will have to expect to face mounting pressure from the 3.5 million Hongkong citizens who are holding British passports for the right to settle in Britain. There is now real fear among people in Hong Kong that the Chinese government could well send the People's Liberation Army into Hong Kong after 1997 if they made similar demands for democratic freedom.

While hoping that events would solve its dilemma, the Thatcher government has rejected two alternatives open to it. The first was to abrogate the Sino-British accord and not return Hong Kong to China in 1997. The second is to accept all the 3.5 million passport holders into Britain. With racial tension in Britain, the Thatcher government has rejected this alternative. However, in taking such a position, the British government has shown that it lags behind the United States, Australia, Canada and New Zealand in acknowledging the dynamism that Asians can bring to their economies. It is a decision which will not further Britain's interests.

— The Straits Times (Singapore).

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Mng. Dir. Asia, Rolf Kranepuhl, 50 Gloucester Road, Hong Kong. Tel. 5-8610616. Telex: 61170
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OPINION

Burning the Bridge of Retreat

By Xiaoxing Han and Hao Jia

WASHINGTON — The bloodshed in Beijing has shaken hundreds of millions of decent Chinese and shocked the world. The heart of China is bleeding and its body trembling. By its slaughter of the people, the regime has demolished the cornerstone of its power — the People's Liberation Army. By imposing martial law, it has burned the bridge of retreat.

Now, if it continues with the repression, it must face both the people rising in arms and the decent elements of the army. This is the situation the regime has created. We have no doubt that the army as an institution cannot bear this blow — unless it solemnly denounces to the nation the atrocity committed by its own.

We have no doubt either that the regime has already been delegitimized so far as that sizable and influential segment of the population that resides in the major and secondary cities is concerned. It is not yet clear whether this is also the situation in the small towns and the countryside, but there is reason to think it might be.

In recent years the rural population has suffered just as much as the cities from governmental corruption, crimes, bankruptcy and other agonizing difficulties caused by an abruptly and unevenly implemented austerity plan. If the countryside does come to share the disillusionment of the cities, then the regime clearly is doomed, for peasants are the mainstay of the army. Given the critical and deteriorating situation in China, what is the rest of the world to do?

President Bush has offered one good example. His actions this week — which included certain humanitarian measures as well as sanctions targeted on the military — provide a clear signal of support for the Chinese people and an explicit condemnation of those responsible for the slaughter. We would hope that the recent moves, along with other strong reactions all over the world, will help to bring an end to the regime-sanctioned bloodshed. Further U.S. measures may prove necessary, including strong economic sanctions, and we will support them if it becomes clear the Beijing regime is not responding.

So far the formal response from the Chinese regime is not encouraging; it denounces actions by other countries as interference in "internal affairs." But this does not mean the Chinese government is beyond the reach of world opinion. In fact, we believe that the rallying of international support to the Chinese people could do a great deal to help them in this critical time.

Such efforts should be carried out both at the popular and governmental levels and should be directed primarily at the high party and government officials in China who are for the most part not responsible for the sad events of the past few days — particularly for the bloodshed. This would include some members of the party Politburo and of the secretariat and central committee, ministers of government and heads of provinces, as well as the majority of the bureaucracy, which forms the Chinese civil service.

This last stratum, ranging in size from two million to four million people, is crucial for operation of the government. Although generally less reform-minded than the intellectuals and college students, its members are nevertheless for the most part people whose interests are closely related to policies of openness and to the economic reforms so far adopted. It would be useful to get the United Nations involved. Some of the European countries that have been most outspoken about China in recent days would be the ideal initiators of a UN resolution condemning the massacre in Beijing and urging the regime to stop its repression.

The chaotic situation, especially the prospect of civil war, could be very tempting to a number of players in the region, the most worrisome among them being Taiwan. But the fact is that the current movement is a patriotic and democratic one. It should not become, even partially, a partisan conflict between the Communists and the Taiwanese. The Taiwan government should stay out of the mess.

The writers are Chinese students studying in Washington. They contributed this comment to The Washington Post.

Dateline Beijing: The Right 'Facts of Heart and Mind'

By A.M. Rosenthal

"Every journalist who is not too stupid or too full of himself to notice what is going on knows that what he does is morally indefensible. He is a kind of confidence man, preying on people's vanity, ignorance, or loneliness, gaining their trust and betraying them without remorse."
— The New Yorker, March 13, 1989

NEW YORK — I have been a newspaperman for more than 40 years. The American journalists covering the Beijing revolution make me want to start all over again.

They work every day and every night, week after week, at risk. They make no drama of it. Through their talents and energies the people of the United States can see and understand one of the most soaringly hopeful episodes in modern history.

Now, these reporters are telling us how a dying regime pushes the bravest of its people into their graves as it approaches its own.

They are reminding this country of something Americans always seem so strangely eager to forget — trust a tyrant never.

In reporting these stories, the correspondents of Beijing perform a particular service. They are ending the racist myth that Orientals somehow care less for freedom than others — the slur that all they want is a full rice bowl. On TV, Dan Rather of CBS made those who admire him hug themselves with delight. This fine correspondent just cleaned up the field. He also cleaned up on all those pot-shotters who made him their favorite target, paying him back for being so prominent and handsomely paid, and so good.

Even Barbara Walters could not have done better — no higher compliment. And Larry Tisch once more is a hero at CBS.

The reporters and cameramen who worked with Rather were fast, clear, careful about what they knew and what they did not know. So were the NBC and ABC staffs.

The whole CNN team in Beijing made the network even more of an addiction. And every day he was there Bernard Shaw of CNN displayed his chief asset — trustworthiness. Not long ago, Walter Cronkite made quite a career with that asset.

So what is a print man doing slobbering with enthusiasm about TV? Wait:

TV showed once again that it is the best salesman a newspaper can have. No matter how well TV does, you have to turn in the morning to a good newspaper to get all the details, read them when you wish, and find out what they mean. Hear?

I read four newspapers on China. The reporters of The Washington Post, Wall Street Journal and Los Angeles Times all are doing first-rate jobs.

I am glad you are at this point because now I can say that Nicholas Kristof and Sheryl WuDunn of The New York Times make eyes light up on 43d Street in New York — and wherever else Times people are stationed around the world. They inspired this piece.

Their character comes through their stories, as it does in the work of every reporter.

The stories of this young couple show them to be cool of mind and warm of heart. Each day they demonstrate what every good journalist knows but sometimes forgets. It is that in a crisis the passions and motivations of the people about whom he is writing are facts essential to the story.

But reporting human emotion is the most difficult kind, if it is to avoid the sloppiness, hysteria and vindictiveness of the adversarial press on the fringes of journalism. The two reporters of The Times, and the best of their colleagues, search for these facts of heart and mind and then report them as carefully and responsibly as they would an earthquake.

Meanwhile, as we say, in Moscow the Great Reformer paused long enough in his work to snap the Soviet press back into line. The orders were: Little detail about the revolution, much clucking about the nasty aggressive students.

Seems to be a message there. But in Beijing the reporters are probably not thinking much about either Mikhail Gorbachev or the First Amendment — just the story.

The passage at the beginning of the column is quoted because it has been much discussed in journalism.

In one paragraph of unconscious self-revelation, the author made all journalists synonymous with tawdry practitioners of big-buck interviewing about whom she was writing. It is not uncommon for the guilty-minded to look in the mirror, stare in horror, and cry out: See them!

Now, back to the real world of journalism, in Beijing.

The New York Times.

Turbulence in World Trade Worries Smaller Nations

By Bimal Ghosh

GENEVA — Despite the upturn in world trade — an increase of 39 percent since 1980 — the outlook for multilateral trade remains uncertain. In April the Uruguay round of trade talks narrowly escaped another deadlock, but that success could not hide the fact that the major trading groups have become more interested in exchanging trade concessions than in promoting free and open trade through GATT.

The United States played a key role in fostering free trade among industrial states, enabling countries like Japan to succeed in strategies of export-led growth. The tide has now turned. A creeping erosion of its competitive economic strength is propelling a less confident America toward protectionism.

The wide powers that the 1988 U.S. Trade Act gives to the U.S. administration to retaliate or discriminate against foreign competitors have alarmed many of America's trading partners. Under the act's Super 301 provision, the new administration has cited Japan, Brazil and India for unfair trade practices, while putting four EC countries (Italy, Greece, Spain and Portugal) on a watch list for possible retaliation.

The United States has invoked no less than 420 anti-dumping measures during the 1980s, and its quantitative import restrictions have risen threefold in the last eight years. Managed trade, or market access through negotiating pressure, is finding favor in Washington as a means of exchanging bilateral trade concessions. Meanwhile, the U.S. trade agreement with Canada has triggered misgivings that the world is moving toward a regime of trading blocs.

Europe has opted for a unified market by 1992, dismantling cross-border barriers. The European Community's summit in Rhodes in December 1988 rhetorically declared in favor of a "partner Europe," but fears of an inward-looking "fortress Europe" have not disappeared. If the main motivation behind "Europe 1992" is to enhance the Community's competitiveness against the United States and Japan, there might be no compelling reason for Europe to match its internal liberalization with a lowering of external barriers.

The president of the EC Commission, Jacques Delors, argues that since the single market will boost world trade and growth, it is absurd to talk of "fortress Europe." There is little doubt that the gains from the creation of a single European market will eventually lead to a substantial increase in both imports and exports. To make this possible, the Community needs to liberalize its external trade. But Europe will certainly not embark on any such course before setting its own house in order and consolidating its internal gains.

European companies are well aware that the creation of a unified market entails severe internal competition. The Community will seek pan-European compromises between the present different levels of national protection. The likely result is a leveling up, rather than down, of the barriers, at least in the initial phase. Much of Europe's internal adjustment and compromise will be at the expense of other trading nations.

The Community has certainly hardened its position through an increasing use of anti-dumping measures — 330 cases in the 1980s — against imports from non-EC countries. The anti-dumping charge can now be extended to products using imported components. Last month the Community announced such levies on U.S.-assembled Japanese photocopiers, through a new rule of origin.

European companies are pressing for stricter application of the "local content" requirement. Italy continues to consider British-made Nissan cars as Japanese and not European.

The United States and Japan have the political clout and economic muscle to negotiate effectively with the Community, and their pressure is already having some effect on the new, seemingly more liberal Commission in Brussels. But as they coax and cajole Europe, they also seek to widen their commercial influence as a counterweight to unified Europe.

The United States-Canada trade agreement has already fortified America's position. Not to be left behind, Japan's Ministry of International Trade and Industry is pondering a similar alignment with Australia and East Asian countries. Since October, Prime Minister Bob Hawke of Australia has been urging the countries on the western rim of the Pacific to form a trading bloc to rival "Fortress Europe" and "Stockade North America." Some Europeans, like Edith Cresson, France's minister of European affairs, are urging a closer U.S.-EC alliance to confront the yen bloc.

As the Uruguay round of multilateral trade talks crawls ahead, the big players in world trade anxiously seek to bolster their positions by using bloc power in trade. The maneuvers add to turbulence in world trade and place the fragile multilateral system under further strain. They make the smaller nations nervous.

Nowhere are the signs of such wariness more visible than in East and Southeast Asia, where growth has so far relied heavily on exports to the United States and Europe. As the tide of blocmanship rises in both Europe and North America and their markets become increasingly less open, small Asian nations face the painful choice of being pushed to the sidelines of world trade or aligning more closely with Japan. If the former means economic stagnation, the latter presents serious economic and political predicaments.

Japanese economic power is wielded in East and Southeast Asia through trade, loans, aid and a flow of investment which may reach $17 billion a year by 2000. Smaller Asian countries are not sure that Japan is increasing its imports from the region fast enough to compensate for the shrinking U.S. and EC markets. They are also afraid that although they are now being lured toward a Japanese-led alliance, future EC-Japan trade deals might leave them in the lurch.

Almost everywhere in the world the impulse is strong among smaller countries to balance and diversify their trade relations and avoid excessive dependence on economic giants. This is possible only in an open and liberal multilateral trading system as originally envisioned under GATT — not when the world is divided into antagonistic trading blocs dominated by economic superpowers.

The writer, a former senior official of the United Nations, is coordinator of the Swiss-based Committee on North-South Issues and recently led a UN/World Bank mission to East and Southeast Asia. He contributed this comment to the International Herald Tribune.

An AIDS Cure? Too Costly for Africa

By Paula A. Tavrow

DAR ES SALAAM — AIDS is a burden that Africa cannot bear, but must. Survey results from urban areas in eastern and central Africa show that about 6 percent of pregnant woman, 35 percent of truck drivers, and 75 percent of prostitutes now carry the virus, and can spread it.

Attempts to treat the infections are draining health budgets and doctors' time. Those working in Africa think of the overstrained health services in these countries and cringe. Meanwhile, as the deaths mount in this mainly heterosexual epidemic, the only safety net for the inevitable orphans and dependent elderly is the extended family network. A smaller plate of maize porridge will have to feed more mouths.

There does not appear to be any good news on the horizon, and it is time to recognize three hard truths:

- The chances that any future treatment for AIDS will be affordable to African countries, currently devoting less than $3 per person per annum to health care, are minuscule.
- The only kind of treatment so far envisioned is the "lifetime therapy" of Dr. Robert Gallo, probably involving regular blood transfusions.
- The possibility that a vaccine, let alone an affordable one, will appear soon is remote.

Africans, by and large, are not going to be cured of AIDS, either now or in the future, because the[y] will not be able to afford it. Unless total cost of treatment — including [co]sts — were to fall below $150 per pe[rson], it is hard to imagine how Africa could ever afford a cure. Just supplying all the condoms needed to stop the spread of the virus would mean at least the quadrupling of current health budgets.

It must be remembered that Africans inflicted with chloroquinine-resistant malaria are frequently dying because fansidar, the second-line malaria drug — which costs under $2 per treatment, cheap in the West — is too expensive for Africa. Kidney dialysis and other proven treatments are practically unheard of here.

Prevention, the poor relation in the health field, is the only hope. But the African experience has shown that prevention of a disease, even with an effective medicine in hand, is a slow arduous process. Less than half of African infants are immunized against the major diseases that have been wiped out in the West.

Widespread public information and behavior modification campaigns centered on transmission of the virus, coupled with major efforts to distribute condoms, gloves, blood-screening devices, and syringes throughout each country, are the only weapons available.

So, is it ethical to conduct treatment and vaccine trials on African patients, when it is virtually certain that the citizens of their countries would not benefit from this research in the forseeable future due to the impoverished state of their economies?

And how relevant to Africa is the whole thrust of most AIDS research, which is focused on curative rather than preventive methods?

If the West is serious about assisting African countries combat AIDS, it must ask: How many research dollars are being devoted to developing a condom that is durable enough to be washed and re-used many times? Yet, one must be developed.

Or how many dollars should finance field testing of easily-understood AIDS information directed at African heterosexuals?

One worrying feature of the AIDS research environment is the plethora of international conferences on the subject. Each of these conferences, held in an inviting location around the world, is planned by its sponsors to continue on year after year.

An example is a conference series entitled, "International Conference on AIDS and Associated Cancers in Africa," which had its third meeting in Arusha, Tanzania, in September, 1988. The fourth of this series will be held this year in Marseille.

Normally, it is hard to quibble with the merit of international conferences on health, particularly those concerned with a disease as awful as AIDS. The dilemma for African countries is this: With the AIDS problem so menacing, and with excellent research topics all around them, the principals in African national AIDS control programs are constantly being spirited away by well-meaning sponsors to offer their perspectives at international AIDS conferences.

No one considers what this means for the control programs back home, which are terribly understaffed.

The time clock to control the spread of AIDS is already ticking too fast. It is urgent to cut the number of these conferences and change their focus so that African control programs have a chance to succeed.

Those programs are all that Africa has. And the hardest truth of all is: If one sought to design the most difficult disease for Africa to combat, it would be hard to come up with one more treacherous than AIDS.

The writer works on contract as Health and Human Resources Officer for the U.S. Agency for International Development in Tanzania. Her views are not necessarily those of USAID. She contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1889: Tribute to a Martyr

ROME — The Giordano Bruno monument was unveiled to-day [June 9] with great éclat before deputations from nearly two thousand Italian corporations, universities and societies. The Syndic of Rome, amidst renewed shouts of "Roma Intangibile," declared that the work put the finishing stroke to the Papal temporal power. All of Giordano's works aimed at proving that God is the Creator of the Universe, the Beginning and Final Consummation of all, in opposition to the symbol worship of Rome. Before the Inquisition of Venice Giordano declared himself a Catholic, that he had never embraced Calvinism and that his accuser had vilified him. On Feb. 17, 1600, the martyr went to the stake, refusing to kiss the crucifix, as it was "the idol of Rome and not the God he adored."

1914: Demands on Sofia

PARIS — The Greek Government has demanded an apology and damages from the Bulgarian Government for the seizure and sacking of Greek churches in Sofia and other Bulgarian cities.

1939: 'Mein Kampf' Rights

NEW YORK — Stackpole Sons, publishing firm which this spring commenced selling a non-copyright unexpurgated edition of Adolf Hitler's "Mein Kampf," with the profits to go to a refugee fund, today [June 10] were forbidden by a United States Circuit Court to continue the publication. The United States District Court here had previously refused to grant an injunction against Stackpole Sons, as asked in a suit brought by Houghton Mifflin Company, which claimed to have the sole copyright for the Hitler autobiography in this country. The unexpurgated edition has been a best seller in America since the Austrian and Czecho-Slovakian coups. Stackpole Sons had advertised that profits from its publication of the Nazi "bible" would go to help refugee victims of Nazism instead of to enrich Hitler.

Threat of Violence High, Pretoria Says

Emergency Decree Enters 4th Year

By William Claiborne
Washington Post Service

JOHANNESBURG — The South African government said Friday that an "unacceptably high" potential for revolutionary upheaval led it to extend the nationwide state of emergency for a fourth year.

Unless the state of emergency is retracted, the government cannot hope to realize for another year its declared goal of opening negotiations for sharing power with black leaders. Every credible black leader in the country has refused to negotiate with Pretoria while the state of emergency is in effect.

Anti-apartheid organizations condemned the decree, which was issued by President Pieter W. Botha, calling it a "recipe for conflict." They said it would "make nonsense" of the claim that there had been a change in the policies of the governing National Party under its new leader, Frederik W. de Klerk.

Mr. de Klerk gave his full support for the continued state of emergency, saying that it has had "positive results" by achieving a "certain degree of stability" through the application of law and order.

The sweeping emergency decree, first issued by Mr. Botha on June 12, 1986, banned all unauthorized political gatherings, gave police extraordinary powers to detain dissidents for indefinite periods without being charged or having access to due process of law, and prohibited South Africans from saying or doing anything that would further "subversive" activities.

The order was issued amid civil turmoil that plunged South Africa into an economic crisis, with Mr. Botha declaring that the "ordinary law of the land" was inadequate to maintain public order.

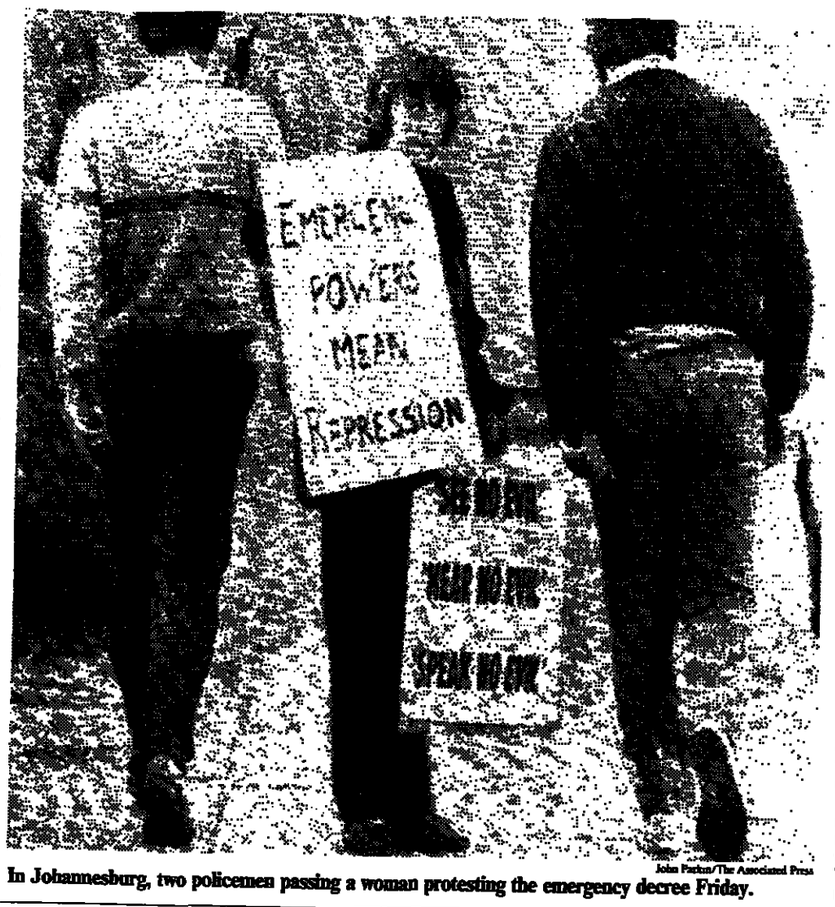
Mr. Botha, who has said he will retire after the parliamentary elections scheduled for Sept. 6, appeared to be ambivalent about the emergency decree in a statement Friday he issued in support of his decision.

He said the first three years of the decree "succeeded in stopping the widespread violence by the radicals" to the point where black schools have been "generally calm" and where local elections in black townships were held last November without major incident.

But, he said, the government's social programs in the townships have been "inhibited by revolutionary organizations whose aim is to prevent it from succeeding with its programs."

"Evolutionary and peaceful development," Mr. Botha added, "are their greatest enemy, and it is because of the progress with the evolutionary process that they are concerned and are not prepared to abandon their efforts to bring about a state of ungovernability in the republic."

He was referring to a three-year township renewal project aimed at transforming the country's most volatile black ghettos into models of middle class tranquility by winning over less politically motivated residents while severely restricting the activities of militants.



John Parkin/The Associated Press

In Johannesburg, two policemen passing a woman protesting the emergency decree Friday.

Walesa Urges Union Deputies Not to Join the Government

By John Tagliabue
New York Times Service

WARSAW — Saying his Solidarity union had run for office "not to rule, but only to exercise control, and to broaden democracy and freedom," Lech Walesa said Friday that he would urge the union's newly elected parliamentary deputies not to join a Communist-led government.

It was Mr. Walesa's first public statement after candidates endorsed by Solidarity swept the freest elections to be held in Poland since the early postwar years, while the Communist Party suffered a humiliating defeat.

In Gdansk, the Solidarity headquarters, Mr. Walesa said, "I will be pushing for the idea that we should remain the opposition, and not go into the government, because that's not what we went there for."

He noted, however, that Solidarity was "not organized as a party," and that there could be "individual break-outs" by newly elected Solidarity-backed deputies declaring their willingness to enter the government.

Mr. Walesa was addressing a news conference after returning to the Baltic seaport from Warsaw, where he negotiated an agreement Thursday with the interior minister, General Czeslaw Kiszczak, in which Solidarity essentially left it up to the Communists to decide how to fill 33 seats in parliament left vacant after Communist-bloc candidates running on a national list failed to be elected.

The 45-year-old union leader left little doubt that his stand on keeping the union candidates out of the government was conditioned by a groundswell of anger among Solidarity voters, many of whom felt the Communists should have been forced to forfeit the 33 seats, after failing to get their candidates elected. Those feelings have been aggravated by the talk in Solidarity leadership circles about possible forms of cooperation.

"Already now there are voices about betrayal," Mr. Walesa said. But he assured Solidarity backers that, "we are certainly not going for posts or for careers."

Noting deep differences within the union's following over its future course, Mr. Walesa said, "Some think that we should join the structures immediately, others say that we should not, that we will remain the opposition, and wherever society agrees with the government, we will support the government, and where it is inconsistent with social feeling, we will be against it."

On Monday, Poland's Communist government, conceding that Solidarity had won a "decisive majority" in last Sunday's voting, appealed to the union to join a "grand coalition" to govern the country.

Bronislaw Geremek, Mr. Walesa's senior adviser, said earlier this week that the appeal was not necessarily for Solidarity to send ministers to the government, but to support the government's future legislative agenda in parliament.

Indicating his support for a course of offering support, without seeking posts in the government, Mr. Walesa said, "We did not go there for chairs. We want not to govern, but to exercise control, and to broaden democracy and freedom. Probably this concept will win out."

"The economic situation is bad," he said, and that's where we will be close to the government, because we must help the people."

Aquino Sets Bonn-Paris Trip

Agence France-Presse

BONN — President Corazon C. Aquino of the Philippines will pay an official visit to West Germany from July 9 to 11 at the invitation of President Richard von Weizsäcker, it was announced here Friday. She will then go to Paris for talks on July 11 and 12 and stay on for the July 14 celebration of the French Revolution's bicentenary.

Yearning for Homeland, Moluccans Resist Dutch On Moving From Camp

By Sheila Rule
New York Times Service

VUGHT, the Netherlands — In a former Nazi concentration camp set in picturesque woodland, the talk is of broken promises and a distant homeland.

Since 1951, the Dutch government has housed Moluccans in the drab, red-brick camp, where an estimated 15,000 Jews were confined during the German occupation in World War II.

The authorities now want to move the Moluccans, an East Asian people who attracted the international spotlight in the 1970s when a few used terrorism to try to force the Dutch government to help their archipelago gain independence from Indonesia.

A community with 142 homes, a church and social center has been built for them less than a mile away. But the camp's 300 inhabitants, driven by political passions and sentimental longings, said they will not move.

"This camp is a symbol of political resistance for the Moluccan people," said Ety Huliselan, 29.

She has lived in the camp, known as Lunetten, all her life. "We are saying to the Dutch government that we are tired of being betrayed and treated like little children.

"So many years ago, the government said we would come to the Netherlands temporarily for a few months because we had nowhere else to go. We have been temporary since 1951.

"We believe that our home is in the Moluccas, but we can't go back until it is free. For now, this camp is home, the only place some of us have ever lived.

"If we left, the government would tell the world that the Moluccan people have now become Dutch and they would be able to close their awful history concerning their treatment of us. We are not leaving."

Miss Huliselan's parents were among the 12,000 Moluccans who took refuge in the Netherlands almost 40 years ago but held fast to the dream that a South Moluccan nation would be created within the Indonesian archipelago.

Known for their fighting skill, they served in the Dutch East India Army before 1949, when Indonesia was a Dutch colony, and also fought with the Dutch against the Indonesian rebels.

They said the Netherlands had promised to help them shape a homeland, but the vow was never fulfilled.

Instead, Indonesia absorbed the Moluccan archipelago and thousands of Moluccans came to this country. They were housed in 74 isolated camps, which were closed one by one as the government built new neighborhoods for them. Lunetten, in the south of the country, is the last remaining center.

The rest of the 44,000 or so Moluccans remain largely in their government-built communities, resisting assimilation with the larger population. Unemployment is high and educational attainment generally low.

Officials said they want to demolish Lunetten for several reasons, not the least of which is the cost of maintaining it.

Many people do not pay for housing or utilities, the officials said, and the government also provides costly social services.

Rent in the new neighborhood would be subsidized for the first 16 years to ease the burden on residents, officials said.

If Lunetten were dismantled, the army camp and prison that stand on either side are to be expanded.

For now, both the government and the Moluccans have taken their arguments to court. After several appeals, in which each side experienced victory, the case is under review in the Netherlands' highest court but a ruling is not expected for at least a year.

"The state does not want to keep the new houses empty after Sept. 1," said Diedreck Jansen, who is in charge of the Lunetten removal project at the Ministry for Welfare, Health and Cultural Affairs, "because it will have been almost a year that they have stood empty and other people in Vught are looking for houses.

"So the Lunetten people have to choose to take the houses before that date or accept the risk that in the end they will have no houses. They say that they have a feeling that they are betrayed by the government. We are sorry to hear it but we cannot change the feeling."

In the 1970s, that feeling took several violent turns in attempts to force the Dutch government to help the Asian island homeland gain independence from Indonesia.

Ten extremists were apprehended in April 1975 in a plot to kidnap Queen Juliana. Eight months later, armed Moluccans attacked the Indonesian Consulate in The Hague and hijacked a train, killing three persons and holding passengers hostage for 12 days before surrendering.

In May 1977, they hijacked another train and also seized an elementary school. After nearly three weeks, the Dutch launched an attack in which two hostages and six extremists died.

Today, those who remain politically active appear to be in the minority and split into several fractious factions.

'Old Wireless' Approved for City of London

The Associated Press

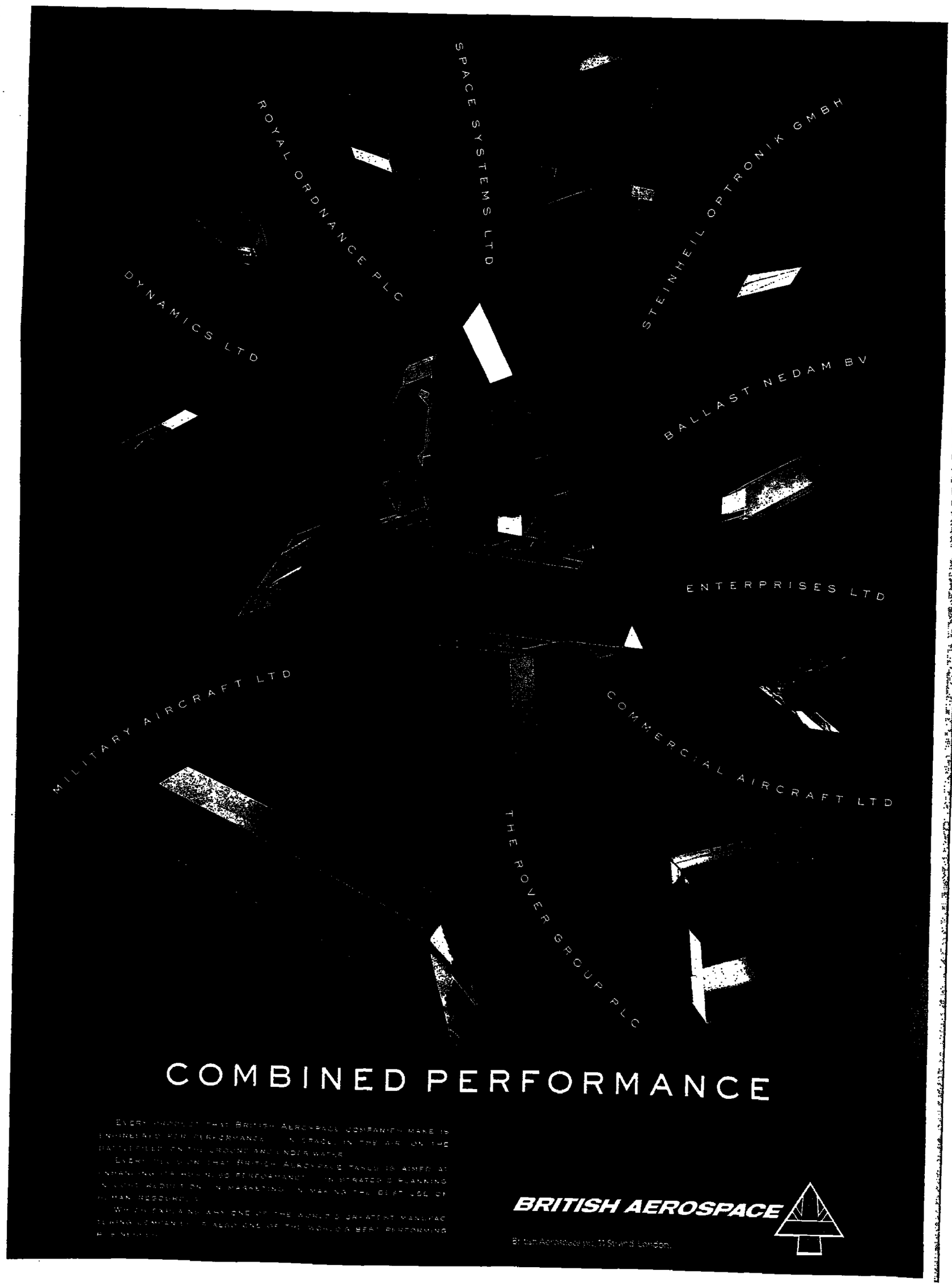
LONDON — A plan to replace Victorian buildings in London's financial district with a shops-and-offices complex has been approved by the government despite criticism from Prince Charles.

The environment secretary, Nicholas Ridley, gave the approval to the project of the real estate developer, Peter Palumbo. To design the five-story complex, Mr. Palumbo chose James Stirling, a British architect.

The prince is keenly interested in architecture and conservation and he likened Mr. Stirling's model to an "old 1930s wireless" — a radio receiver.

Mr. Palumbo's earlier project for the site, a tower block designed by the late Mies van der Rohe, was rejected after the prince savaged it as a "giant glass stump more suited to downtown Chicago."

The project covers more than an acre (0.4 hectares) on a triangular site near Mansion House, home of the lord mayor. Eight of the buildings for demolition were supposedly protected under rules preserving buildings of architectural or historical importance. But the listings have not saved them.



China Specter Haunts Italy Communists

By Clyde Haberman
New York Times Service

ROME — The explosive events in China have sent shivers through the faltering Communist Party of Italy, the largest in the West, and have emboldened the Socialists, who hope to emerge soon as the dominant leftist group of the country.

The Communists are bracing for what may be unusually important elections for the European Parliament on June 18.

The Communist Party elders are troubled that because of the turmoil in China, Italians will vote with fresh memories of a Communist government that ordered its soldiers to shoot citizens demanding democracy.

As a result, the elders have gone to considerable lengths to denounce Chinese leaders and to organize demonstrations of solidarity with the student-led democratic movement.

The party general secretary, Achille Occhetto, has gone further than ever to align himself with European social democratic movements in his continuing campaign to stop a decadelong slide at the polls.

His efforts have even rekindled a public debate over whether it is time for the party to change its name.

Mr. Occhetto said this week, "We are not part of an international Communist movement."

"In the East, communism is a term that has no relation any longer to its historic origins, and constitutes a political framework that is *completely wrong*," he said. "There is absolutely nothing left of communism as a unitary and organic system."

On Thursday, he called on the government to freeze economic relations with China.

If Mr. Occhetto's damage-control strategy fails, the Socialist general secretary, former Prime Minister Bettino Craxi, is standing by to pick up the pieces.

Throughout the 1980s, the Socialists have been junior partners to the more numerous Christian Democrats in a series of coalition governments, but Mr. Craxi is growing weary of the role.

Mr. Craxi's ambition is to command an Italian left restructured under a single umbrella, but first his Socialists must overtake the Communists, who have been second only to the Christian Democrats throughout the postwar era.

Thus, for Mr. Craxi, the European parliamentary elections are far more critical than simply who will wind up going to Strasbourg, France. To drum up interest in the campaign, Mr. Craxi even helped bring down the government, through relentless badgering that impelled Prime Minister Ciriaco De Mita to resign three weeks ago.

While Mr. De Mita remains in office as caretaker over the shell of a government, senior politicians have held endless consultations to figure out who should lead next. But a solution seems likely to elude them until after the European elections.

Mr. Craxi was heartened last week by the results of local elections in 165 municipalities. For the first time, the Socialists won a bigger share of the vote than the Communists, 19.1 percent to 16.9 percent. In the 1987 parliamentary elections, the Socialists drew only 14 percent compared with the 22.6 percent of the Communists.

The balloting in a small number of localities was hardly conclusive.

But political commentators say that if the results are duplicated on June 18, they may have a broad impact on the balance of party power, and could even trigger early national elections. It is also said that the results on June 18 could determine the shape of the next government.

Mark Avery/The Associated Press

President Yang Shangkun, left, conferring with Prime Minister Li Peng earlier this year at the People's Congress held in Beijing.

MARRY: *'Cohabitation' May Tie a Loose Knot*

(Continued from page 1)

of development at a western Massachusetts preparatory school. She and her husband, Stephen, were married in 1972 after having lived together off and on for several years.

"What you think a relationship should be and what you know it can be after you've lived together are two different things," she said. "You can stay married if you're willing to accept the loss of illusions about what a relationship should be. When we married, we decided that we wanted to be together.

"If we'd gotten married right away," she went on, "we would have eventually gotten divorced."

The findings about cohabitation and divorce, said Mr. Bumpass, "don't say that these marriages are less happy than those of the people who didn't cohabit." But he guessed that "at the same level of unhappiness they're more willing to accept divorce as a solution."

Many other demographers, sociologists, economists and therapists warned that they were still groping for explanations for a phenomenon that few had expected and none claimed to understand fully.

Most had anticipated that cohabitation, or "trial marriage," would prune out unstable relationships before a final legal commitment was made, which would result in hardier marriages.

The life of Roxanne C. Winkler, a legal secretary from suburban Washington, exemplifies the researchers' findings. Mrs. Winkler, raised in the middle-income Maryland suburbs of Prince George's County, has been married three times since 1969, and in each case she first lived with her eventual husband. She looks at her parents' long-term marriage with admiration but not envy.

"In my parents' generation, you went along with the program," she said. "They didn't know any different. A woman might see her friends during the day, but dinner had to be on the table when her husband got home. I wouldn't want that. My parents have got a great relationship. But I don't think that I could live in that type of relationship."

Mrs. Winkler is a high school graduate who has earned her own living since her late teens. Although cohabitation among college graduates has increased dramatically in the last 20 years, the phenomenon has spread most rapidly among those with the least education, according to Mr. Bumpass and Mr. Sweet.

"I think that marriage isn't taken the same way anymore," Mrs. Winkler said. "For so many people living together, marriage is just a piece of paper. Getting a divorce is like splitting up with someone you're living with."

The national divorce rate, which peaked in 1979 and 1981, then decreased slightly, has remained stable since 1986 at about 4.8 divorces a year per 1,000 people.

"The people who are cohabiting are less likely to be religious or have a lot of family pressure that's going to hold them into a marriage that is unhappy or ungratifying," Mr. Furstenberg said.

"There are many people who stay in marriages having as little contentment as those people who eventually divorce, but simply value the stability of the relationship and are unwilling to live alone."

The researchers' findings also show conclusively what data from the U.S. Census Bureau had already signaled: Cohabitation has become a predictable part of the American life cycle, filling in the intervals before marriage and after divorce.

Other findings of Mr. Bumpass and Mr. Sweet include:

- The number of people who live together before marriage continues to climb, especially for people who marry more than once: 60 percent of those who remarried between 1980 and 1987 set up housekeeping with someone, usually the eventual spouse, beforehand.
- About 40 percent of the unmarried "cohabiting unions" end before their first year, either because the couple gets married or because they split up. Only one-third of these relationships continue two years without marriage or a split; only one in 10 lasts five years or more without marriage or a split.
- High school dropouts have always been more likely to cohabit than their better-educated peers, a trend that has continued into the mid-1980s. Between 1980 and 1984, nearly half of the high school dropouts and more than a third of the high school graduates had lived with a partner before their 25th birthday, as had nearly a quarter of the college graduates.

"Cohabitation is a symptom of our uneasiness about marriage, just as divorce is, and is the tendency to delay marriage," Mr. Furstenberg said.

Roh to Scrub Planned Vote Of Confidence

Compiled by Our Staff From Dispatches

SEOUL — President Roh Tae Woo of South Korea indicated Friday that he would serve out his five-year term, which runs until 1993, without seeking a mid-term vote of confidence he once proposed.

In an interview with the Hankook Ilbo newspaper, Mr. Roh also said he would not pursue a constitutional amendment to replace the presidential system with a parliamentary form of government.

Meanwhile, the government said Friday that it had deployed 20,000 riot police to block rallies by radical students trying to go to North Korea.

Troopers also raided Sogang University in Seoul to seize pro-Communist literature. *(UPI, AP)*

Ferry Death Toll Rises To 74 in Mozambique

Agence France-Presse

MAPUTO, Mozambique — The death toll from a disaster in the southern port of Inhambane, where a ferryboat capsized Wednesday, has risen to 74, the Noticias newspaper said Friday.

The daily said that most of the passengers were workers returning to Maxixe on the opposite side of Inhambane Bay. The daily said that the number of passengers aboard the boat when it overturned was still not known.

ARMY: *Crucial Yang Family Role*

(Continued from page 1)

would directly confront Mr. Deng in the power struggle.

"Deng put Yang where he is," one diplomat said.

One of the main charges made by students against the president is that he has elevated mediocre family members to high positions over the heads of military men with much more experience.

As student protesters described it, General Yang Baibing and General Yang Jianhua have risen like "helicopters."

But the problem of nepotism is much less difficult than the new problem that faces General Yang Shangkun. It is the 27th Field Army under the control of the president and his relatives that killed hundreds of civilians last weekend in and around Tiananmen Square, the focus of the last seven weeks of demonstrations for democracy.

Ordinary citizens in Beijing now often refer to the 27th Field Army and its estimated 35,000 troops as "Yang's army."

Thus, few diplomats see much of a future for the president.

One Western diplomat said that any solution for the current crisis must involve acceptance of responsibility for the massacre by General Yang Shangkun and the prime minister.

The diplomat said that any solution must also allow Mr. Deng to distance himself from the massacre so he can play his traditional role as arbiter among the generals and other power brokers.

Thus, diplomats say, in the end, the Yang family "coup" may dissolve into nothing more than one more power maneuver among many that have been evident in this period of turmoil.

CHINA: *Deng Honors the Army*

(Continued from page 1)

York Times reported from Beijing. At his right was Prime Minister Li Peng, who invoked martial law and seems for now to be the most powerful of the next generation of party officials.

If the television image correctly portrayed the nation's leadership, decision-making has largely reverted to the "old revolutionaries," who tend to be cautious about capitalist-style incentives but who had retired in recent years.

"None of them was wearing a Western suit," said an Asian diplomat, who noted that until recently most of the nation's leaders preferred jacket and tie to show their enthusiasm for change, instead of the old-fashioned Mao jacket.

Immediately to Mr. Deng's left was former President Li Xiannian, who is 80 years old. After him, in order, were President Yang Shangkun, 82; Peng Zhen, 87, the former head of the National People's Congress; Wan Li, 73, the present head of the congress; and Bo Yibo, 81, deputy chairman of the Central Advisory Commission.

The order in which people are seated in China often reflects their political power; that is why Prime Minister Li's spot to the right of Mr. Deng was so significant.

Beyond Mr. Li, in order, were Wang Zhen, the 81-year-old vice president of China; Yao Yilin, the 72-year-old deputy prime minister; and Qiao Shi, the 65-year-old Politburo member in charge of security matters.

There was no sign of the Communist Party leader Zhao Ziyang, believed to have been stripped of his powers after he urged conciliation with the protesters.

■ Global Protests

Protests against the repression of the Chinese protests continued Friday in many parts of the world, news agencies reported.

- Prime Minister Felipe Gonzalez of Spain, the European Community president, said that the EC might adopt economic sanctions against China. *(AP)*
- In Taipei, 100,000 rallied Friday to condemn the suppression and pay tribute to the dead. *(AFP)*
- In Philadelphia, a Temple University official said the school was considering rescinding the honorary degree it had presented Deng Xiaoping in 1979. *(Reuters)*
- In Canberra, Prime Minister Bob Hawke, speaking at a memorial service, said Friday that he hoped the "incredible bravery" of Chinese students had not been in vain. *(AFP)*

EUROPE: *Briton Stumps for EC*

(Continued from page 1)

she would not be voting for him: "Maggie," she complained, had vetoed an executive commission plan to encourage the teaching of two foreign languages in British secondary schools.

"You're not voting for Maggie next Thursday," he told Mrs. Thorpe. "You're voting for your representative in the European Parliament." He also told her he disagreed with Mrs. Thatcher on the language issue.

For better or for worse, Sir Jack conceded, "the European elections are largely a midterm judgment on the government, and we have a number of problems: inflation is *too high*, interest rates are edging up, the National Health Service and the plans for a poll tax are all causing trouble."

The Labor Party is also using the European elections as a chance to test the popularity of a new platform: It abandons the party's opposition to a defense policy dependent on nuclear weapons and embraces membership in the European Community as a way of advancing the social and labor rights that Mrs. Thatcher resists at home.

Since the platform changes were announced last month by the Labor leader, Neil Kinnock, the party has soared in the public opinion polls. It pulled ahead of the Conservatives in a recent Gallup poll published by The Daily Telegraph. In a sample of 977 voters, Labor had 43.5 percent, the Conservatives 36.5 percent.

The polls have all shown a sharp decline in support for the two small center-left parties, the Social Democrats and the Social and Liberal Democrats. About 5.5 percent say they would support the Green Party, which is fielding candidates in all 81 British European constituencies.

Considerable British reserve about EC membership is still evident in both the Labor and Conservative European platforms. They speak of the need to keep the commission in Brussels under control, and of commitment to reducing waste and fraud in agricultural policy. Both seem to want Europe to be more British: more socialist, in the Labor view; more friendly to free enterprise, in the Conservative.

But few people in Crowborough seemed to have more than a vague idea what the European Parliament actually could do for them. One voter — an old friend of Sir Jack's — spoke of his disgust with the EC's agricultural subsidy policy for beef, because it excluded him and other farmers who kept both milk cows and beef cattle.

Sir Jack, who served in the prestigious Coldstream Guards regiment, was on friendly terms with most of the businessmen of Crowborough's High Street. They promised him their votes but said business was terrible because of the high interest rates.

"You see, British industry still isn't competitive enough," he said later. "When people buy, it's mostly imported goods."

SOVIET: *5,000 Assault a Town*

(Continued from page 1)

chev appealed for calm in Uzbekistan and other republics where there has been ethnic violence.

Mr. Gorbachev defended himself Friday against criticism that he had become a dictator and tried to dispel rumors about assassination or coup attempts against him as the first session of the new Congress of People's Deputies ended.

Although Mr. Gorbachev is chairman of the Congress, president of the nation and leader of the Communist Party, he said he was not trying to concentrate "all power in my own hands."

"This is alien to my beliefs and I think you can tell that from my personal character," he said.

During the Congress, which convened May 25, various deputies, including Boris N. Yeltsin, the maverick populist, and Andrei D. Sakharov, the physicist and human rights campaigner, suggested that Mr. Gorbachev had acquired power on a level at least as great as that of his predecessors.

One deputy from the Kharkov even likened him to Napoleon.

Almost from the moment he became head of the Communist Party four years ago, gossip here has centered on various threats to Mr. Gorbachev's power and other intrigues, real or imagined.

The most persistent speculation about opposition has usually focused on Mr. Gorbachev's conservative colleague, Yegor K. Ligachev.

"I must assure you that the Central Committee shares the view of the Politburo that there is no danger of a coup," Mr. Gorbachev said on the final day of the session. "Let's cut off these rumors."

"According to gossip, I've been killed seven times at least and my family was killed not less than three times," Mr. Gorbachev continued.

Earlier in the Congress, Valentin *Rapatin, a novelist, and Roy Medvedev*, a historian, referred to political intrigues that have occurred, especially when Mr. Gorbachev has been abroad or on vacation.

Mr. Ligachev lost significant power when he was shifted last year from the party post for ideology to head agriculture. But Mr. Gorbachev has never spoken publicly against the man who nearly everyone assumes is his rival.

In an emotional speech near the close of the session, Mr. Sakharov declared the Congress a "failure" and said that the Supreme Soviet, the standing legislature elected by the Congress, was stacked with "idle functionaries."

Mr. Sakharov said the Congress should have worked to create a federal state and should have issued a much stronger statement denouncing the Chinese repression of the student demonstrations in Beijing.

Prime Minister Nikolai I. Ryzhkov told the deputies that the Soviet Union's foreign debt was 34 billion rubles (about $53 billion), the first time a Soviet official has made such figures public.

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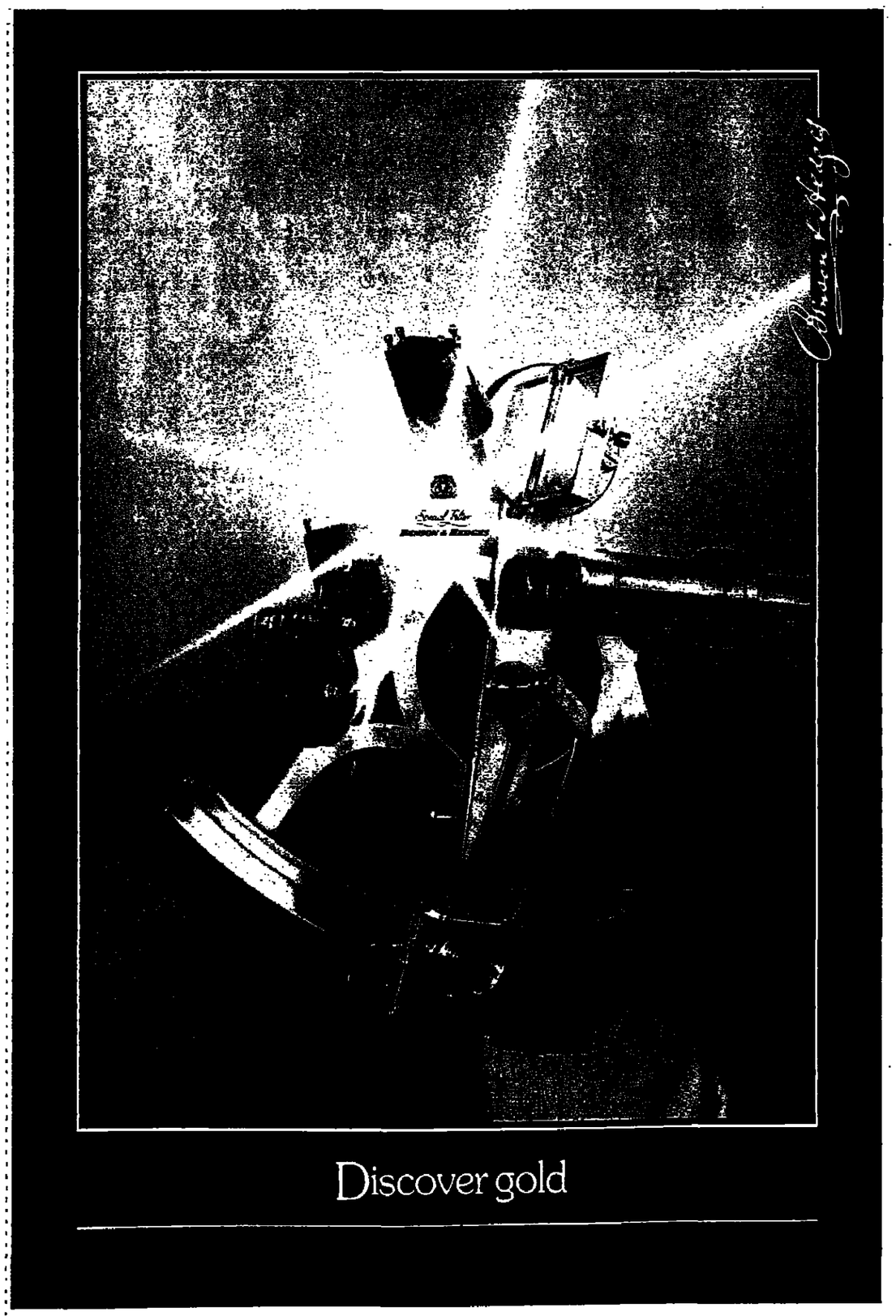

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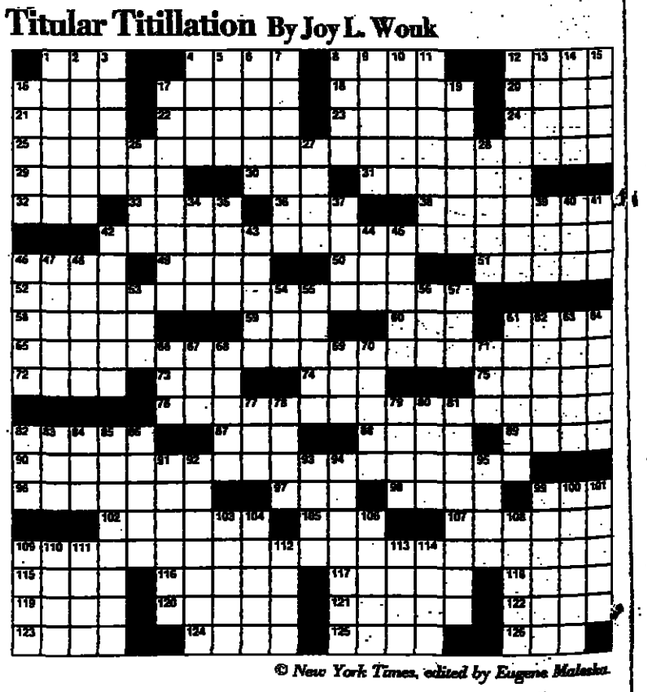

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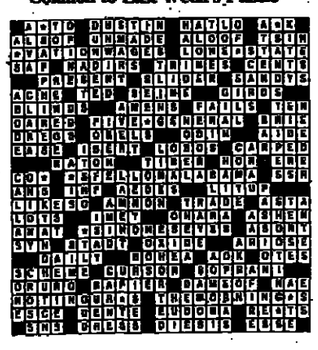
ACROSS

1 Germany's Otto — Bismarck
4 Kind of prof.
8 Lewis's Timberlane
12 Excuse
16 Shaped
17 "— Kick Out of You"
18 "Gypsy Love" composer
20 File
21 High cards
22 — of Marmara, Turkey
23 Old World lizard
24 Kitchen follower
25 Stone-Day collaboration?
29 Coarse silk
30 That, in Cannes
31 Inhibit —
32 Tiny, in Scotland
33 "Auld Lang —"
36 Besides
38 Elsa, e.g.
42 MacDonald-Graves collaboration?
46 Volcano crater
49 Asian weight
50 One of seven: Abbr.
51 Sights at Provincetown
52 *Hamilton-Rice* collaboration?
58 Sophia or Isabel
59 Actress Alicia
60 Wilder's "— Town"
61 Keddah, e.g.
65 Warren-Kingsley collaboration?
72 North Sea feeder
73 Long time
74 "High —": M. Anderson
75 Bert's "Sesame Street" friend
76 Saint-Exupery-Borodin collaboration? (with "The")
82 Russian mountains
87 Mouths
88 Arabian V.I.P.
89 Pokey dwellers
90 Wouk-Tolstoy collaboration? (with "The")
96 "—, Lover," 1954 song
97 Henri's soul
98 "... Cupid — longer an archer": Shak.
99 Bearish period
102 Namesakes of the chief Vedic god
105 "—, That Kiss," 1931 song
107 Tristram's love
109 Conrad-Koestler collaboration?
115 Square column
116 — and sometimes Y
117 In a tumult
118 Choreographer-director Tommy —
119 Rock star Billy —
120 Town in Provence
121 — Sap, Cambodian lake
122 Galatea's lover
123 *Prunes trees*
124 — off (irate)
125 Hem
126 *H.H.S. arm*

DOWN

1 Empty space
2 Black Sea port
3 Retreats
4 Composer of "Happy Days Are Here Again"
5 Close an envelope
6 Follower of Zeno
7 Suff fabric
8 Hammer part
9 Auspices
10 — -al-Arab (Iraqi waterway)
11 Euphemism *for "hell"*
12 So-called, in Provence
13 Plaster holder
14 Tasso's patron
15 Mimic
16 Brewers' needs
17 Rainfall-chart lines
19 Basket fiber
26 Trouble, in Ayr
27 Orwell's school
28 Not in a whisper
34 Orderly
35 Hungarian city
37 Harem rooms
39 "— Heldenleben": R. Strauss
40 Petition
41 Draft org.
42 Rivers in England and Ontario
43 Collect facts slowly
44 World banking org.
45 King of Thebes
46 Corday's victim
47 Anoint, old style
48 Spry
53 — -di-dah
54 H.S. subj.
55 Flavor
56 Rapa — (Easter Island)
57 Suffix with a cardinal point
61 Threefold
62 Beatles' Starr
63 Suffix with form or reform
64 Equals
66 Moray
67 Japanese carp
68 Under one's control
69 Swab
70 Bungled
71 — Willie Winkie
77 Musical syllable
78 Pasternak girl
79 Body of African warriors
80 She wrote "Seven Women"
81 Having a skull
82 Hole maker
83 Trygve of the U.N.
84 Explosive letters
85 Nimitz and Byrd
86 "— thee late a rosy wreath": Jonson
91 Group of eight
92 Fine
93 In a violent rage
94 *Infant under* one month
95 Price
99 Loafer
100 Persephone's love
101 Chromosome parts
103 Verona's river
104 Rhone feeder
106 A king of Judea
108 Ready for consideration
109 Multiseasonal pelter
110 Inner: Comb. form
111 Upon
112 Regretted
113 Trill or troll
114 Shoe part

Solution to Last Week's Puzzle



Beijing residents grouping themselves around soldiers to chat and ask questions as the post-massacre cleanup of the city progresses.

Agence France-Presse

Beijing: Healing Surface, Tender Scars

By Sheryl WuDunn
New York Times Service

BEIJING — A bitter memory lingers on a narrow street where soldiers opened fire on scores of citizens last Sunday, but even here on South Pond Street, life seems to be gradually returning to normal.

A man selling bananas now stands where neighbors say an old man was shot in the head on Sunday morning. Part of the street has become a nursery. Children chase each other in circles a block away from the Avenue of Eternal Peace, or Changan Avenue, which is still controlled by troops.

Neighbors took their turns walking gingerly toward the avenue to peer beyond the police barricade at the troops. Just days before, few of them dared to venture that far.

The rumble of tanks continued in the capital. But the atmosphere of fear that cast a pall over Beijing earlier this week seemed to fade as people on bicycles flooded the streets, mail trucks began to resume their rounds and many government offices resumed operation.

Much more than on previous days, there seemed a possibility that life would return to normal.

But this calm may only be superficial. The return to activity may hint at normalcy, but many citizens, like those on South Pond Street, still harbor a deep anger against the government.

"The blood of those who were killed has already hardened on the gate down the road," said one woman.

The government has blamed the chaos that has stricken the city on "a very small number" of counterrevolutionaries and thugs whom it accuses of conspiring to overthrow the government.

"We are all counterrevolutionaries," said a 30-year-old woman, with some bitterness. "We are all thugs now."

Next to her, a young man said, "Only a very small number of people support the government."

Although garbage lay scattered in the streets, the authorities had towed away many of the burned-out vehicles and buses that citizens had used to make roadblocks. Soldiers were shown on television sweeping the streets clear of debris from recent fighting.

For the first time since the military crackdown, troops even allowed citizens to enter Changan Avenue and the north side of Tiananmen Square early Thursday for about half an hour.

Leaving one's home to buy vegetables still involves a risk — but a smaller one than a few days ago. People seem to have stopped building barricades at intersections.

Groups of soldiers still patrolled the capital, marching in formation through neighborhood streets. But along major roads and bridges where armed soldiers had set up camp, citizens of all ages gathered and chatted with them.

The fervor of the citizens' appeals was gone; instead they were restrained and polite, taking care not to taunt or anger the troops.

"We hope you think of yourselves as the army for the people," a young man said calmly to one of the soldiers. "We hope you will protect, and not harm, us."

Some of the soldiers listened silently to the pleas of the people, while others laughed and joked. This group of troops said it was from the 39th Army, from the northeastern city of Shenyang, and some soldiers even said they did not approve of the killings committed on Sunday by troops widely believed to be from the 27th Army.

"They have tarnished the image of the army," said one soldier to a small crowd of citizens plying him with questions about his views on the 27th Army.

"We wouldn't kill people," said another soldier. "We are the people's army." But a woman hearing this turned away in disgust.

"That's what they've been saying all along, but look what happened," she said as she walked away.

■ Exodus of Foreigners Slows

The flood of foreigners fleeing China slowed to a trickle Friday, the Associated Press reported from Tokyo. Airlines reported that regular and charter flights were only about half full.

Of the 3,039 Japanese residents of Beijing, only embassy personnel and nine employees of trading companies remained, Kyodo News Service reported.

Japan Air Lines called a halt to special evacuation flights Friday, said spokesman Yasuhiko Inoue, "because there weren't enough people for the flights."

Only 172 of 348 seats were filled on a flight from Beijing; 289 of 350 seats were filled on another regularly scheduled flight from Shanghai to the western Japanese city of Osaka, JAL employees said.

The last planned chartered flight out of Beijing, a Continental DC-10, was expected to take off late Friday for Tokyo, said Haruki Yasuda, Continental manager in Tokyo.

The flight, originally scheduled to leave Beijing a day earlier, had no passengers to take out, Mr. Yasuda said.

Bush, Cautious, Warns China on Violence but Plans No New Sanctions

By David Hoffman and Ann Devroy
Washington Post Service

WASHINGTON — President George Bush has said that he is striving to preserve the U.S.-Chinese relationship, but warned that relations could not return to normal until the Chinese leadership recognized the validity of the pro-democracy aspirations of student demonstrators.

Amid reports that Beijing plans reprisals against leaders of the democracy movement, Mr. Bush cautioned the authorities against repression or brutality, which, he said, "will make things much more difficult."

He said he had no plans for sanctions against China beyond the suspension of military sales announced on Monday.

Mr. Bush fielded questions Thursday evening at his first nationally televised evening news conference, which was dominated by the turmoil in China.

He appeared to be walking a careful line between a desire not to provoke the Chinese leadership and a denunciation of the military attack on students in Tiananmen Square, in which hundreds were killed.

"I'm trying to find a proper, prudent balance," the president said.

Mr. Bush defended the decision to give shelter in the American Embassy in Beijing to a Chinese dissident, Fang Lizhi. This was criticized by the Chinese government.

Mr. Bush said he would not discuss whether Mr. Fang, an astrophysicist, was seeking asylum in the United States. But he said that giving him refuge in the embassy was "in compliance with the international law as an extraordinary measure for humanitarian reasons."

"It is awful hard for the United States, when a man presents himself — a person who is a dissident — and says that his life is threatened, to turn him back," Mr. Bush explained.

Mr. Bush, who headed the U.S. Liaison Office in China in the mid-1970s, before full diplomatic relations, said he remained uncertain about the reports of a power struggle in Beijing. He repeatedly said he did not want to "pass judgment" or come to conclusions about the action of individual leaders, including the supreme leader, Deng Xiaoping.

As to who is in charge, "I don't know," he said, adding that no one outside China knew for certain. "That's the way the Chinese system works."

"In terms of trying to figure out their internal order," he went on, "it is extraordinarily difficult."

Mr. Bush disclosed, in response to a question, that he tried to reach China's leadership by telephone Thursday. "The line was busy," he said. "I couldn't get through."

In the wake of the Chinese repression of the student demonstrators, many Americans have fled the country and the violence seems likely to harm a budding commercial and diplomatic U.S.-Chinese relationship.

Mr. Bush was asked what it would take to get relations back on track.

"It will take a recognition of the rights of individuals and respect for the rights of those who disagree," he responded, referring to the demands of the demonstrators for freedom. "We can't have totally normal relations unless there's a recognition of the validity of the students' aspirations. And I think that will happen.

"What I want to do is preserve this relationship as best I can. And I hope the conditions that lie ahead will permit me to preserve this relationship.

"I don't want to pass judgment on individual leaders, but I want to make very clear to those leaders and to the rest of the world that the United States denounces the kind of brutality that all of us have seen on our television."

Mr. Bush rejected any harsher measures against Beijing, such as recalling the ambassador or imposing economic sanctions. "I don't want to cut off grain — and we've just sold grain to the People's Republic of China," he said. "I think that would be counterproductive and would hurt the people."

Mr. Bush recalled that China's economic reforms had moved "dramatically faster" than many thought possible, but "what hasn't caught up is the political reforms and reforms in terms of freedom of expression."

On other topics, Mr. Bush said Mikhail S. Gorbachev, the Soviet leader, had "already demonstrated that he's interested in new thinking" by his recent political changes. But he challenged Mr. Gorbachev anew to "solidify those changes."

One way, he went on, would be to accept the Western proposal for conventional forces cuts in Europe. "So here's a test now," he said.

The president, who has tried unsuccessfully to coerce the Panamanian leader, Manuel Antonio Noriega, into stepping down, said that despite the Panamanian leader's refusal, "the world hasn't forgotten" the violence that followed the recent election.

Police in Beijing Briefly Hold Western TV Crews

United Press International

BEIJING — U.S. and British television crews were detained briefly Friday in separate incidents, and their camera equipment was confiscated by the police who charged that the crews had violated martial law restrictions, network spokesmen said.

Three crew members for the Cable News Network, based in Atlanta, were detained and taken to a police station in east central Beijing as they photographed street scenes Friday morning, a CNN spokesman in Beijing said.

A correspondent, a cameraman and an interpreter for a British network, Independent Television News, were later detained by plainclothes police as they tried to report from Beijing University, an ITN spokesman said.

The police confiscated the camera equipment of both crews, but gave each of them a receipt, the spokesmen said.

The CNN crew was held for about three hours and the ITN employees for about an hour before being released. The crews were told they had violated martial law restrictions, which forbid any unauthorized reporting or videotaping.

Several journalists, including a CBS television reporter, were detained in the assault last Saturday by the army on Tiananmen Square.

■ Networks Send Anchors

Top anchors from NBC News and ABC News will report from Beijing next week, The New York Times reported from New York.

Tom Brokaw, the anchor of "The NBC Nightly News," flew to China on Thursday, an NBC News spokesman said.

Ted Koppel, the anchor of the ABC News program, "Nightline," is to fly to Beijing this weekend to complete a special report on events in China, an ABC News spokesman said. Mr. Koppel is also expected to file reports for the regular news broadcasts of the network.

Competitors of ABC and NBC questioned the value of sending the anchors when television reports are being increasingly restricted by the Chinese government.

There have been no transmissions of live video reports from Beijing since May 24.

Menuhin, 'Heartbroken,' Cancels Asian Youth Orchestra China Tour

Reuters

LONDON — Sir Yehudi Menuhin, the violinist, canceled on Friday a planned July visit by his Asian Youth Orchestra to China, accusing its government of tyranny.

"I am heartbroken and I feel I cannot return to my beloved China now reverted to a tyrannical regime which shoots innocent students and others," he said in a telegram to Beijing's Ministry of Culture.

The maestro, 73, is music director and conductor of the orchestra, which is made up of 110 musicians aged 12 to 20 from China, Japan, Korea, Taiwan, Hong Kong, Singapore, Malaysia, Thailand and the Philippines.

His own concert tours of China led to his appointment as an honorary professor of music at Beijing University.

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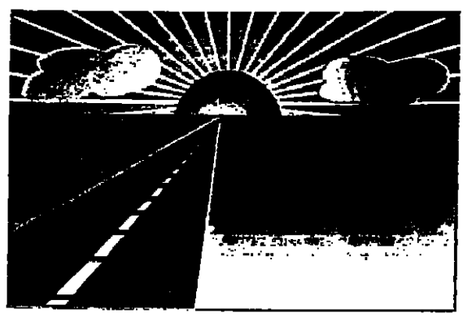

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ARTS / LEISURE

In Paris, a Mixed Bag of 'Magic'

By Michael Gibson
International Herald Tribune

PARIS — Whatever its merits otherwise, the monster dual exhibition at the Pompidou Center and the Grande Halle de la Villette under the title "Magiciens de la Terre" (Magicians of the Earth) represents the *first attempt* at a planetary show of contemporary art.

The organizers were aware that any departure from what might be described as the floating consensus of the art establishment carries risks of critical penalties — penalties all the more painful in view of the venture's 30-million-franc price tag (about $4.5 million) — but they plunged ahead, producing a hybrid that is provocative, uneven and engagingly vulnerable.

It is vulnerable because it raises more issues than it can reasonably hope to handle. It may well be, in fact, that a show of this kind will stimulate thought and impel people to apply new criteria to art. In any event, it reflects unconcealed perplexity at the current state of the arts in our societies and, in its attempt to suggest solutions, it opens its arms ecumenically (yet in an inevitably ambiguous way) to the art of peoples culturally remote from the Western world and to artists hitherto unknown for whom curators scoured Africa, Asia, New Guinea, Australia and both Americas.

The mere fact of seeing side-by-side recent works from Paris, New York, Alice Springs in central Australia or Apangai in New Guinea, impels the visitor to ask what they have in common. At a time when art tends to be equated with fashion and it is fashionably assumed that art is best approached with cool irony, it attempts to revive the notion that a successful work of art should be surrounded by an "aura" (hence the "magicians" in the title).

The show of works by 100 artists therefore includes a large number from parts of the world where a belief in magic or in the spiritual realm is shared as a matter of course by the entire community, functioning as a bonding force.

One of the first works one sees on entering the Pompidou Center showroom is a very fine, large and colorful "Fjele Mask" by the Nigerian Mike Chukwukelu, while beneath the large converted cattle-shed of La Villette on the northern limits of Paris, one comes across such striking sights as the facade of a men's community hut by Nera Jambruk, who lives in a village of the Sepik region in New Guinea.

Casket by Kane Kwei of Ghana; steel drum sculpture by Gabriel Bien-Aimé of Haiti.

Unlike past exhibitions in which similar works were labeled according to tribe or region of provenance, this one takes pains to identify the individuals who produced them. Yet the gaudy mandala presented by the three monks living in Nepal obviously follows strict rules set down by tradition. So do ritual ground paintings of Australian aborigines. The Western avant-garde, by contrast, is wildly individualistic, exploratory and generally hostile to such tradition.

These spiritual or magical works express awe and indeed, in some cases, terror. There is no doubt a sense of play and there may well be humor and irony in some of them, but such irony does not apply to the fundamental tenet according to which some real power, active in the world, is being designated or appealed to.

As much might be said about the splendid sand painting done for the occasion by Navajo artist Joe Ben Jr. except that he cannot really ignore the huge ironic power of the surrounding American world. He does not enjoy the innocence that distance may still allow in certain cases.

The Haitian Gabriel Bien-Aimé, living on an island and in a poor country, may be more fortunate in this respect. His flat metal structures are cut out of steel drums. They look quite a lot like ancient street signs and reflect the lively religious poetry of his country.

Other non-Western artists selected for this exhibition are already detached from the idiom of their traditions but they are sustained, particularly in Africa, by a superabundant vitality that often makes their work lively, preposterous and likable.

This is true, for instance, of Chéri Samba, a 33-year-old former sign painter turned artist who lives in Kinshasa and whose bright and beaming face stares engagingly at the viewer from a large autobiographical canvas.

It is true, in a different way, of his compatriot Bodys Isek Kingelez, who makes colorful cardboard models of baroque skyscrapers spiced up by the fantasy of a dreamer living on the banks of the Congo River.

And some mention must be made of the hilarious (and perfectly functional) painted coffins, carved in the shape of an elephant, a lobster, a Mercedes or an eagle by Kane Kwei from Ghana.

The show cannot help being ambiguous when it comes to dealing with artists of this kind, if only because it offers them a form of consecration that is understood differently by the organizers and the artists. Yet it differs from the "colonial exhibitions" that were regularly presented in European countries during the first half of this century in that the organizers are approaching them with a certain humility in their search for traces of something that, for lack of a more adequate word, they refer to as "magic."

This notion, however suspect and vague, is really the key to their undertaking, and it is indeed quite apparent that little if any magic of this kind is to be encountered in the works of artists from the industrial world who have been selected for presentation here. Some are even quite hostile to the idea. As a result, the show appears oddly self-contradictory at times, for what, one may ask, have artists like Hans Haake, Alfredo Jaar or Daniel Buren got to do with the subject?

The show is successful in one respect at least: Visitors are impelled to ask themselves what is lacking in our industrial society. Artists in this century have given their lives and substance and played the holy fool to no effect. For the culture they addressed remains bound by its own logic, and is now lacking something still found in remoter parts of the world: the common language, the spiritual consensus and the shared dream of their community, all of which allow the work of art to fulfill what might be described as its "emblematic" function. This function makes art the acknowledged medium of emotionally forceful statements touching upon human destiny — upon what men and women really "are" and what they may expect from life. This is the "magic" that has been pretty well driven out of Western art. And while this exhibition fails to recapture it, it does manage to make its absence clearly felt.

"Magiciens de la Terre," Centre Pompidou and Grande Halle de la Villette, Porte de Pantin, through Aug. 14.

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4-Language Literary Journal Set by European Publications

By Edwin McDowell
New York Times Service

AFTER two years of preparation, four prominent European publications plan to start a literary and cultural review this fall whose contents and design will be identical in its English, German, French and Italian editions.

A participating editor described it as "an attempt at a multinational operation that deals in ideas rather than in fast food or consumer products."

"We hope to ping into a network of European writers and thinkers," said Jeremy Treglown, the editor of The Times Literary Supplement of London, one of the participants. "We want to have a forum in which we can bring to Europeans instantaneous news of and comment on cultural and scholarly developments."

Two other sponsors — the Frankfurter Allgemeine Zeitung and Le Monde in Paris — are daily newspapers. The other sponsor, L'Indice in Turin, is a monthly literary review, as is The Times Literary Supplement.

The four publications have a combined circulation of nearly one million, and the sponsors of the review say they are likely to bring in another partner, a large European daily newspaper published in a fifth language.

To be titled Liber, from the Latin root meaning both book and free, the 24-page review will be published six times a year beginning in October, with the hope of expanding it to a monthly.

It will be available only as a free supplement in the parent publications.

Subtitled "A European Review," it will publish interviews, poetry and profiles of important cultural personalities, but its principal focus will be on books.

An editor of the planned publication calls it 'an attempt at a multinational operation that deals in ideas rather than in fast food or consumer products.'

"The mix of literary journals and newspapers was deliberate," said Professor Gian Giacomo Migone, editor of L'Indice. "It will allow us to publish both for the specialists and the wider public."

Liber is expected to cost $800,000 the first year, but it appears that it will have enough advertising to cover that amount.

Treglown said Olivetti and Fiat would each have full-page ads in the first issue, at a cost of $21,000 a page.

The supplement will be edited jointly by editors of each of the parent publications together with Pierre Bourdieu, a professor of sociology at the College de France. The review will have a modest office in Paris.

There are other multinational literary journals, but none published in English, none with so large a circulation and none edited the way Liber is to be.

If all goes according to plan, articles will be submitted to Liber in the writer's native language, then distributed to editors of the participating publications. Their comments will be collated and sent to the writer.

"In the best of all worlds," Treglown said, "nothing will have to be done. But where adjustments are necessary, they will be made until we have a version that everyone agrees on, then it will be translated in each country."

Migone and Bourdieu originated the idea for the review at literary conferences in France and Australia, and the other participants joined.

AUCTION SALES

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Jean DUBUFFET "Chapeaux à rayures", April 1955. Oil on canvas, signed & dated 55 at lower left. Countersigned, titled, located "à Vence", & dated "Avril 55" on back. 73 x 60 cm (28 ¾ x 23 ½ in) Bibliography: Max Loreau XI, n° 54, p. 52.

ARTS / LEISURE

New Wealth Expands Art Market Inflation

International Herald Tribune

SOUREN MELIKIAN

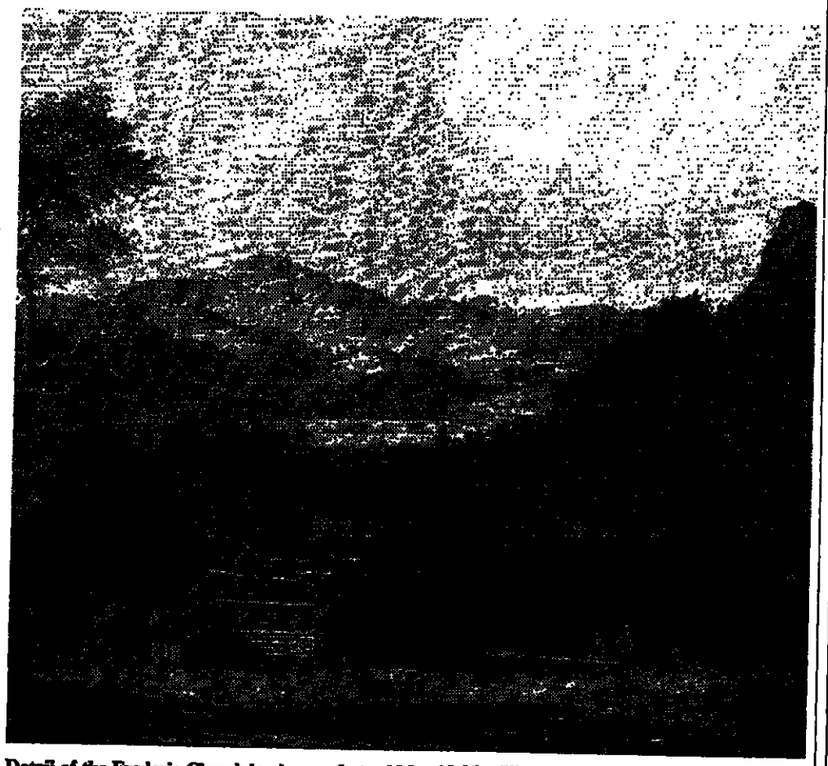
ALL the indications are that the market is embarking on an unprecedented inflationary cycle. The intrusion of new wealth hitherto not involved in the auction game is spreading rapidly beyond its preferred domain — Impressionist, Modern and Contemporary painting. In the last three weeks, two unrelated areas have witnessed quantum leaps.

The American market, which had seemed quieter for some time, is one. Within 10 days two staggering record prices were paid in New York. On May 24, at Sotheby's, "Home by the Lake," an 1852 landscape by Frederic Church, signed and dated, sold for $8.25 million. This is a record for American painting. In its category, the Hudson River School, it is an archetypal achievement. Its pedigree is the best imaginable, starting with the last owner in line — a museum, the Walker Art Center in Minneapolis. Featured in countless exhibitions, illustrated in many books and articles, it had all the glamorizing incentives for new art buyers. Even so, few professionals thought it could double Sotheby's estimate of $3.5 million to $5 million.

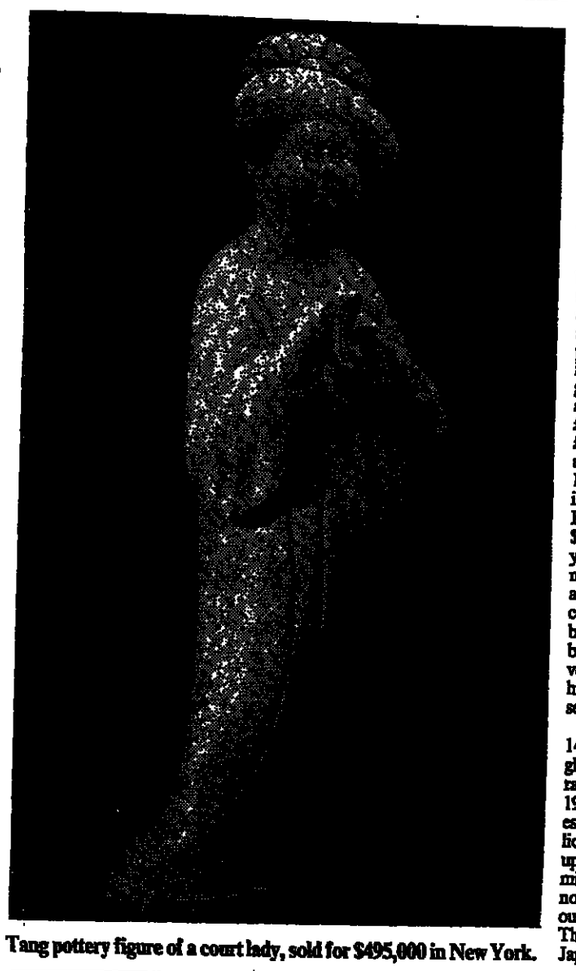
Ten days later, it was Christie's turn with a desk and bookcase attributed to John Goddard, which soared to $12.1 million, leaving far behind the previous record for American furniture — the $2.75 million Chippendale armchair sold at Sotheby's in January 1987.

Like the landscape, the desk and bookcase is rooted in American history through its association with the prominent Brown family of Newport, Rhode Island.

There is unanimity among American cognoscenti about the splendor of the piece. Even so, few thought that decorative art would ever break the $10 million barrier, thus achieving parity with painting. This takes a new breed of collector uninhibited by traditional ideas about artistic hierarchy. Sources say that the dealer Howard Sack, to whom the piece was knocked down, was bidding on behalf of Robert Bass, who started buying four or five years ago.



Detail of the Frederic Church landscape that sold for $8.25 million, a record for American painting.



Tang pottery figure of a court lady, sold for $495,000 in New York.

Much the same developments can be observed on a bigger scale in Chinese art. There, too, new players are suddenly looming large and drastically modifying the price structure. Seasoned professionals are still marveling at the upheaval signal led by the Hong Kong sale of May 16. Julian Thompson, chairman of Sotheby's International and one of the acknowledged connoisseurs of Chinese porcelain, was dispersing the collection formed by the British Rail Pension Fund, essentially on his advice, between 1974 and 1981.

From the moment it started, it became clear, professionals say, that new participants were pitted against each other. The pace was set by a rare saucer of the Xuande period (1425-1436) decorated with incised dragons under a turquoise glaze. The saucer first appeared at auction in 1968, when it sold for £3,800. In June 1973, it jumped to £58,000. When it surfaced again at a Hong Kong sale on Nov. 28, 1978, it was purchased by the British Rail fund for 495,000 Hong Kong dollars, about £45,000 or $90,000 at the time. On May 16 this year, the saucer went up to 3.74 million Hong Kong dollars. It was acquired by a couple of Hong Kong collectors who had been noticed buying the best at recent auctions, but had never yet been quite so venturesome. The price tripled the high estimate by Thompson, who seldom errs on the low side.

This served as a warm-up for a 14th-century bowl with underglaze red decoration. Bought by the rail fund at Sotheby's in London in 1975 for £125,000, it carried an estimate of 6.6 million to 8.8 million Hong Kong dollars, and ended up at 20.35 million, or about $2.6 million, with the agent of a renowned Tokyo gallery, Kochukyo, outbidding the Hong Kong couple. The agent was sitting next to a Japanese client he was advising.

Ten minutes later, it was the turn of another Hong Kong collector to buy a blue and white dish of the Xuande period. The piece, decorated with two phoenixes against a floral background, was bought by the fund in Los Angeles in 1976, for $100,000. This time it made 4.84 million Hong Kong dollars, about seven times as much. Giuseppe Eskenazi of London, Europe's leading dealer in top quality art, says that "in retrospect this now appears as one of the cheaper of the more expensive Hong Kong pieces."

Not so the Kangxi Famille Verte bowl decorated with a parrot that went to 10.45 million dollars, nearly 10 times the Thompson estimate. The buyer was T.T. Tsui, another Hong Kong collector who goes after the finest Imperial Chinese wares.

For the first time, the Japanese displayed vivid interest in a field they had totally shunned until the May 16 sale. Tatsuo Hirano, a famous Tokyo dealer, fought it out with a Japanese colleague over a bowl of the Kangxi period decorated with clusters of blue and white flowers and almond green stalks on a pink ground. Far removed from the traditional Japanese taste in Chinese porcelain, it soared to 8.8 million dollars.

Minutes later, a pair of Yongzheng dishes (1722-1736) decorated with peaches went to another Japanese gallery, Kochukyo, obviously bidding, as Hirano had done, for some Japanese client. The price was 5.5 million dollars, almost twice the high estimate.

Last week's New York sales confirmed the presence of new Japanese buyers. At Sotheby's on May 31, a peach dish similar in pattern, but unmatched for its large size, was bought for a record $1.43 million by George Lee, a Hong Kong-born Tokyo dealer who outbid Saburo Takahashi, president of Mayuyama and Company. A short while later, the record for 18th-century Chinese porcelain was raised to $1.65 million when Takahashi outbid Lee and got a Famille Rose vase at 10 times Sotheby's estimate.

On June 1, Christie's took over with a sale of Chinese classical painting that revealed yet another new development. Some of the paintings, sold anonymously, were known to come from the collection of a highly respected Taipei painter in his 80s, Huang Junbi.

This boosted the whole sale. A scroll with a mountainous landscape by Dong Qichang (1559-1636), which was consigned by a Chinese-American collector, soared to $1.65 million. It is covered with seals and calligraphed inscriptions including many added over a lifetime by Emperor Qianlong. A long anonymous scroll depicting an imperial hunting party, catalogued as being of the Yuan period, set the world record for a Chinese painting at $1.87 million. This leaves far behind the previous record of $473,000, paid Nov. 30 by the Metropolitan Museum, bidding through Jim Lally, the leading U.S. dealer in Chinese art, on a scroll by Xu Yang depicting Emperor Qianlong's journey through southern China. Other paintings were commensurately expensive. All went to Chinese buyers living in Taiwan, the United States or Canada, who now pay for the classics of Chinese art prices that were reserved for Western painting.

The day after, in Christie's sale of objets d'art in New York, a Tang pottery figure of a court lady sold for $495,000, three times the high estimate. It went to a Chinese dealer with shops in Hong Kong and New York said to be bidding for a Taiwan client. Until recently, the Chinese would not have considered buying a funerary figure in breach of religious taboos. The new Taiwan collectors, influenced by Japan, no longer object.

Across the board new buyers with new motivations take part in the action. As the market soars, accidents take place. Sotheby's May 31 sale, despite its 18th-century porcelain record, was often gloomy. At one point, nine pieces failed to sell in succession. On Monday at Sotheby's in London, 73 out of 143 lots of Indian art were "passed," meaning there was not a single bid. This suggests skepticism over the period, the estimated price, or both. There is no better way of scaring away the newcomers who assume that, when a piece is illustrated in a catalogue and carries an estimate, all they have to do is follow Daddy's advice.

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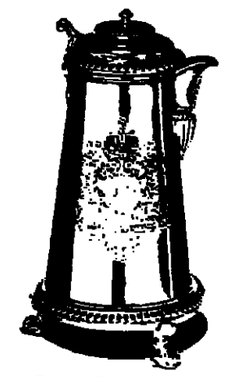

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Sunday, June 18

ROOMS 5 & 6 at 11 a.m. - 2.30 p.m. - 9 p.m. IMPORTANT MODERN PAINTINGS - SCHOOL OF ROUEN - ISTUARY PAINTERS-SCHOOL OF PARIS - CONTEMPORARY PAINTERS - DOCUMENTARY WORKS, SCULPTURES. Me LOUDMER, 18, rue de Provence, 75009 Paris. Tel.: (1) 45.23.15.25. Fax: (1) 47.70.10.76.

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Friday, June 23

ROOMS 5 & 6 at 2.30 p.m. MODERN PAINTINGS & SCULPTURES. 3 Bronzes by Rembrandt BUGATTI-Beaumont, Cesar, Chaissac, Corot, Daumier, Diaz de la Pena, Dupre, Fantin Latour, Fould, Grezy, Guillonnet, Hambourg, Jourdan, Roy, Kijno, Lebourg, Mauras, Montezin, Pradelles, Georges Redon, Odilon Redon, Savin, Signac, Vieira da Silva, Zendel. Mes MILLON-JUTHEAU, 14, rue Drouot, 75009 Paris. Tel.: (1) 47.70.00.45. Fax: (1) 48.00.04.10.

Friday, June 23

ROOM 10 at 2.15 p.m. MODERN PAINTINGS - CONTEMPORARY ART Arman, Buffet, Cesar, Laurencin, Lempicka, Masson, Nevelson, Nicholson, Picasso, Soulages, Spilliaert, Vasarely. Me Catherine CHARBONNEAUX, 134, rue du Faubourg Saint Honoré, 75008 Paris. Tel.: (1) 43.59.66.56. Fax. (1) 42.56.52.57.

DROUOT MONTAIGNE
15, Ave. Montaigne, 75008 Paris - Tel.: 48 00 20 80.

Thursday, June 15

At 9 p.m. ABSTRACT & CONTEMPORARY ART - Adami, Arlan, Baselitz, Chaissac, Hains, Schnabel, Schneider. 5 WORKS by SOVIET ARTISTS from the SCHOOL of MOSCOW. Exhibition: June 14, 9 - 11 p.m. & June 15, 11 a.m. - 6 p.m. Me BRIEST 24, av. Marignon 75008 Paris. Tel.: (1) 42.68.11.30. Fax: (1) 42.68.12.67.

PARIS AREA

Sunday, June 18

MEAUX 77100. At 2 p.m. BIBELOTS, 18th & 19th C. PAINTINGS, JEWELRY, SILVER, 18th & 19th C. FURNITURE & Copies, ORIENTAL RUGS, TAPESTRY. Me de CORNEILLAN, Auctioneer, 54, rue de l'Abreuvoir. Tel.: (1) 64.34 11.97 - (1) 60.09.07.81.

PROVINCES

Saturday, June 17

LYON 69009. At 10 a.m. DRAWINGS, PRINTS. At 2.30 p.m. OLD MASTER & MODERN PAINTINGS. French schools & Foreign from the 17th, 19th & 20th Centuries by Chancrin, Chochon, Coggbe R., Connu P., Girardet K., Leger, Levigne, Rene JJ, de Vos. SCP MILLAREDE Associated Auctioneers, 3, av. Sidoine Apollinaire. Tel.: 78.47.78.18. Telex: G 41 546.

ADER PICARD TAJAN
AUCTIONEERS IN PARIS
12, rue Favart, 75002 PARIS - Tel.: (1) 42 61 80 07
Fax: (1) 42 60 79 09

AUCTION SALE IN PARIS

Drouot-Montaigne
15, avenue Montaigne - 75008 Paris

Monday 19th and Thursday 22nd June at 8 p.m.

IMPORTANT 19th and 20th CENTURY PAINTINGS

Atlan, Boudin, Buffet, Chagall, Charchoune, Degas, Delaunay, d'Espagnat, Esteve, Foujita, Guillaumin, Kisling, Kokoschka, Lebourg, Marie Laurencin, Le Sidaner, La Fresnaye, Loiseau, Magnelli, Marcoussis, Masson, Messagier, Monet, Moret, Picasso, Pissarro, Medardo Rosso, Schneider, Signac, Severini, Valtat, Villon, Vuillard, Zao Wou Ki...

Experts:
MM. Pacitti and de Louvencourt, M. Maréchaux, Mme M.A. Prat.

RENOIR (Pierre-Auguste) "Femme en Bleu" ou "Madeleine au sein nu." 1914. Canvas signed. 33 x 26 cm. Provenance: Sale Maurice Gangnat.

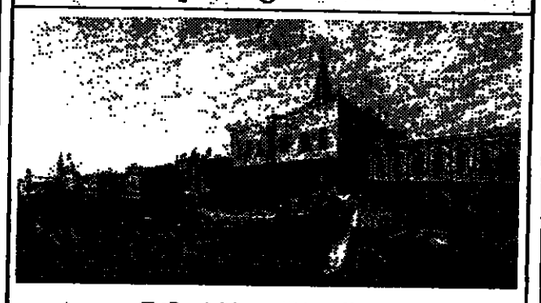
On view: "ADER PICARD TAJAN", 12, Rue Favart, 75002 Paris.

Please contact Thierry Picard. Tel.: (1) 42.61.80.07, Extension 428

Public viewing at "Drouot Montaigne",
Sunday, June 18th, from 11 a.m. to 11 p.m.
Monday, June 19th, from 11 a.m. to 5 p.m.
Wednesday, June 21st, from 9 to 11 p.m.
Thursday, June 22nd, from 11 a.m. to 5 p.m.

PONTOISE (PARIS AREA) FRANCE
Sunday, June 18, at 2:15 p.m.
IMPORTANT MODERN PAINTINGS
Collection from the Estate of A. Cluytens & others
ATLAN - G. BOUCHE - DERAIN - DMITRIENKO - A. GUILLAUMIN - A. LEBOURG - M. LUCE - MAINSSIEUX - MONTEZIN - J. PUY, etc...
Exquisite Louis-XV, Louis-XVI & English Furniture
Oriental Lacquered Furniture - Oriental Rugs.
Mes Guy MARTINOT & Yves SAVIGNAT
Associated Auctioneers
3bis, Rue St.-Martin 95300 Pontoise. Tel.: (1) 30 31 01 83. Fax.: (1) 30 31 06 79

SOTHEBY'S
FOUNDED 1744
SALES IN MONTE CARLO
Sporting d'Hiver



The Doge's Palace and Prisons, Venice, Michèle Marieschi, oil on canvas. Estimate: 600 / 800,000 FF

EARLY PRINTED BOOKS AND MODERN ILLUSTRATED BOOKS
Friday 16th June, 3pm

IMPORTANT OLD MASTER PAINTINGS
Friday 16th, 8pm and following day, 10am

19th CENTURY PAINTINGS AND DRAWINGS
Saturday 17th, 3pm

IMPORTANT FURNITURE
Saturday 17th, 8pm and following day, 11am

Please contact:
Sotheby's Monaco, Sporting d'Hiver,
Place du Casino, MC 98000 Monaco. Tél.: 93 30 88 80
Sotheby's Paris, 3 rue de Miromesnil, 75008 Paris. Tél.: (1) 42 66 40 60

Diamond Pendant, 9.8 cts.

PARIS AUCTION

Me Dominique RIBEYRE
Auctioneer
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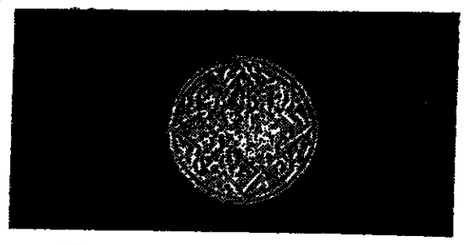
Tel.: (1) 47 70 87 05 - 42 46 00 77

DROUOT RICHELIEU - PARIS
Thursday, June 22, at 2 p.m.
ROOM 3

EXQUISITE JEWELRY
by Boucheron - Van Cleef & Arpels
18th & 19th C. COLLECTABLES
ANTIQUE & MODERN SILVERWARE

On view: Wednesday, June 21, 11 a.m.-6 p.m.
Thursday, June 22, 11 a.m.-noon.
Experts: Messrs. Servet, Monnaie, Portier.



SPINK NUMISMATICS
Important Auction
Sale of Islamic Coins of gold, silver and copper
Tuesday, June 20th,
Dolder Grand Hotel, Kurhausstrasse 65, Zurich
Coins on view at
Spink & Son Numismatics,
Lowenstrasse 65, 8001 Zurich
Catalogues available from Spink in London (01-930 7888) and Zurich (01-221 18 85)

Spink
Spink & Son Ltd.
King Street, St James's, London SW1Y 6QS. Tel: 01-930 7888 (24hrs) Telex: 916711

A major Sale of
CONTEMPORARY CERAMICS
Thursday, 15th June at 5.30pm

Bonhams, the driving force in the booming contemporary ceramics market, present their most varied and impressive sale yet. Estimates are from £30 to an expected world record for these magnificent twin candleholders by *Hans Coper*.

Works by the master potters: *Bernard Leach, Michael Cardew, Lucie Rie, Hans Coper, Hamada, Elisabeth Fritsch*
Pots by Painters: *Cocteau, Picasso, John Piper*
Exciting new talent: *Jane Waller, Christine Jones, Ken Eastman*
International ceramics: *Pots from Japan, Belgium, the Netherlands, USA etc.*
Plus *Ewen Henderson, John Ward and many others*

Viewing Sunday: 2.30pm-5pm Monday to Wednesday: 8.45am-6pm
Day of Sale: 8.45am-1pm *Catalogue £5 (£6 by post) Enquiries: Cyril Frankel*

BONHAMS
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Montpelier Street, London SW7 1HH Telephone: 01-584 9161 Fax: 01-589 4072

NYSE Most Actives

Not available at press time

Market Sales

NYSE 4 p.m. volume	173,240,000
NYSE prev. cons. close	249,769,140
Amex 4 p.m. volume	13,060,000
Amex prev. cons. close	15,108,000
OTC 4 p.m. volume	140,442,100
OTC prev. 4 p.m. volume	155,958,200
NYSE volume up	74,229,900
NYSE volume down	74,418,800
Amex volume up	5,790,200
Amex volume down	5,194,300
OTC volume up	n.a.
OTC volume down	n.a.

NYSE Index

	High	Low	Close	Ch'ge
Composite	—	—	182.37	—0.02
Industrials	—	—	218.57	+0.03
Transp.	n.a.	n.a.	173.80	+1.88
Utilities	—	—	88.45	—0.23
Finance	—	—	156.14	+0.16

Friday's NYSE Closing

Via The Associated Press

AMEX Diary

Not available at press time

NASDAQ Index

	Close	Ch'ge	Week Ago	Month Ago
Composite	453.65	—0.34	451.63	434.53
Industrials	444.35	—0.32	447.71	431.40
Finance	525.36	+0.71	519.75	504.86
Insurance	508.26	+1.65	494.33	479.48
Utilities	728.15	—4.59	701.94	656.58
Banks	478.31	—0.89	474.50	459.34
Transp.	427.41	+0.50	424.47	418.85

AMEX Most Actives

Not available at press time

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	92.23	+0.40
Utilities	92.95	+0.34
Industrials	91.51	+0.47

NYSE Diary

Not available at press time

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
June 8	338,407	599,397	47,340
June 7	463,847	575,576	10,193
June 6	423,906	663,361	54,226
June 5	353,405	585,626	47,233
June 2	483,638	628,362	32,309

*Included in the sales figures

Dow Jones Averages

	High	Low	Close	Ch'ge
Indus	2,523.53	2,504.41	2,513.42	—3.49
Trans	1,148.29	1,136.48	1,148.29	+2.59
Util	206.44	205.49	206.44	+0.12
Comp	958.19	951.44	956.81	—0.04

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	374.22	371.79	373.53	+0.07
Transp.	267.98	264.59	267.98	+1.49
Utilities	135.36	134.36	134.78	—0.40
Finance	31.40	31.17	31.25	+0.01
SP 500	327.32	325.16	326.69	—0.06
SP 100	303.52	300.90	302.32	—0.25

NASDAQ Diary

	Close	Prev.
Advanced	904	1,058
Declined	1,038	935
Unchanged	n.a.	2,433
Total Issues	n.a.	4,426

AMEX Stock Index

High	Low	Close	Ch'ge
366.21	365.09	366.16	+0.16

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Dips on Inflation Data

United Press International

NEW YORK — Stock prices closed slightly lower on the New York Stock Exchange on Friday as inflation concerns sparked by a 0.9 percent jump in May wholesale prices caused the market to consolidate its recent gains.

The Dow Jones industrial average, which rose 4.59 points Thursday, slid 3.49 to close at 2,513.42. For the week, the blue-chip index lost 4.41 points.

Among broader market indicators, the NYSE composite index eased 0.02 to 182.37 and Standard & Poor's 500-stock index fell 0.06 to 326.69. The price of an average share slid 1 cent.

Declines edged advances by about a 7-6 margin. Volume on the Big Board slowed to 173.2 million shares, compared with 212.3 million traded Thursday.

The market opened on a weaker note after the government said the Producer Price Index, a key gauge of inflation, soared 0.9 percent in May.

"The dip in stock prices at the opening was in response to the May PPI, which was way above market estimates of a 0.4 percent rise," said Monte Gordon, research director at Dreyfus Corp. "It suggests the Fed may not move in the direction of easing rates right away."

Earlier this week, stock buyers had been encouraged by signs that the Federal Reserve was easing credit through a drop in the federal funds rate, the fee banks charge each other for loans. The funds rate slid to 9½ percent from 9¾ percent. However, analysts said a further easing in interest rates was unlikely soon because of the strong rise in the price index for May.

Mr. Gordon noted there was little followthrough selling tied to the price data, which suggests investors remain willing to buy, or at least hold onto, stocks.

"The market is not just looking at the PPI number, but past it," he said. "Other indications show the economy is continuing to slow. And while inflation is not currently keeping pace with this trend, it should eventually."

Michael Metz, market analyst at Oppenheimer & Co., said some investors viewed the initial setback in prices as an opportunity to enter the market.

"There's still a lot of sideline cash around to be put to work," he said. "Even the bulls haven't committed all of their funds yet."

Takeover issues, which rallied earlier in the week, were mostly lower as some investors took profits ahead of the weekend, analysts said.

In trading on Friday, takeover issues continued to dominate, although many ended up lower due to profit taking on gains won earlier in the week.

Warner Communications was the most active NYSE issue, dropping ⅜ to 56⅛.

USX followed, jumping 1 to 38.

Paramount Communications was third, rising ¼ to 59⅛.

AT&T ended up unchanged at 36¼. IBM eased ⅞ to 108⅜.

(Continued on next left-hand page)

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
SATURDAY-SUNDAY, JUNE 10-11, 1989 **

ECONOMIC SCENE

All's Fair in Takeovers, As Paramount Bid Shows

By FLOYD NORRIS

New York Times Service

NEW YORK — In Wall Street jargon, companies being sought in a takeover attempt are "in play," but a more accurate term might be "at war." Nowhere is that clearer than in the current three-way struggle involving Time Inc., Warner and Paramount. Paramount's hostile $10.7 billion bid for Time has probably killed Time's plan to merge with Warner in a stock swap, and now there is talk that any one of the companies might end up buying another.

In the end, the winner is likely to be the one that can get the most money to another's shareholders, and do so the quickest.

For while Time and Warner Communications Inc. characterize their merger as being in the national interest, it is shareholder interest that is likely to prevail.

The winner is likely to be whoever gets the most money the quickest to another's shareholders.

The struggle among the three corporate titans emphasizes that few companies are safe in an age when billions can easily be borrowed and many takeover hurdles have fallen.

While some companies that are takeover targets still survive as independent concerns, as Polaroid did earlier this year, more and more companies that are deemed to be "in play" find themselves either bought or forced to go deeply into debt to pay out large sums to impatient shareholders.

A decade ago, companies under attack were often able to persuade various government agencies to block takeovers. But such tactics rarely succeed today.

"You have a regulatory climate that permits this to take place," said Robert F. Wall, a partner in the Chicago law firm Winston & Strawn. "The Reagan era has not ended."

Time and Warner may have thought they had a neat, tamper-resistant package that would allow them to pursue their strategic vision while minimizing the threat of a takeover.

Instead, their announcement turned out to serve almost as an invitation for higher bids, simply by setting a deadline by which anyone who wanted Time or Warner had to act.

With the bid by Paramount Communications Inc. on the table, the idea for a simple share swap, as Time and Warner originally proposed, is probably dead.

THE STRUGGLE is likely to end with one or more companies deeply in debt, arguably less able to marshal needed capital investment to compete with other companies. But such concerns play little role in deciding who wins in the takeover wars, where few tactics short of personal violence are deemed illicit, and where new strategies are constantly being devised.

"The gentlemanly approach has largely fallen by the wayside," said John Morton, a newspaper analyst in Washington. He was speaking of media mergers, but the comment applies much more widely.

Detectives are now routinely hired to sniff out dirt about companies and their executives, and bidding for a company is not considered bad form, even if management does not welcome it.

In defense, investment bankers and lawyers have dreamed up a succession of clever ways to keep shareholders from selling their shares to the highest bidder.

But most of those methods have been frustrated by the courts, especially in Delaware, where most of the biggest U.S. companies are incorporated. Judges have sometimes been harshly critical of corporate managements taking steps to preserve their jobs, even at the expense of their shareholders.

In the past decade, barrier after barrier to acquisitions has fallen. The $25 billion leveraged buyout of RJR Nabisco Inc. showed that no company is too big, and the easy acceptance by the bond market of the securities sold to finance that deal may

See TAKEOVER, Page 14

Bilzerian Convicted Of Fraud

First Jury Verdict In Boesky Cases

The Associated Press

NEW YORK — Paul A. Bilzerian, chairman of Singer Co., was convicted Friday of nine counts of securities fraud and tax violation in the first jury verdict in the government's three-year crackdown on Wall Street securities crime.

The panel of six men and six women returned its decision on the second day of deliberations.

The Bilzerian case was the first prosecution of a corporate raider using information derived from the Ivan F. Boesky insider trading scandal that broke in 1986.

Mr. Bilzerian, 38, an investor from Tampa, Florida, who won control of Singer last year, was charged with breaking securities and tax laws and making false statements in connection with three failed takeover attempts and another stock transaction in 1985 and 1986.

He faces a maximum penalty of 45 years in prison and $2.2 million in fines. He was free on $250,000 bond pending sentencing Aug. 16.

His attorney, Arthur F. Mathews, said there would be an appeal.

Originally indicted on 12 counts, Mr. Bilzerian got one count dismissed in April and U.S. District Judge Robert Ward combined four conspiracies into two counts on Wednesday.

None of the charges involved last year's $1.06 billion takeover of Singer, the Stamford, Connecticut, defense contractor.

The government said he made millions by accumulating stock in takeover targets while concealing ownership of the stocks in secret accounts and then selling his holdings after the stock price had risen.

Fourteen witnesses testified for the prosecution at the six-week trial and 17 testified for the defense, including Mr. Bilzerian.

"The government put on an excellent case," said jury foreman Paul O'Neill.

Mr. Bilzerian admitted supplying misleading information to the Securities and Exchange Commission but explained his actions as either inadvertent or mistaken interpretations of the law.

He also denied engaging in bogus securities trades to obtain illegal tax losses.

The key prosecution witness was Boyd L. Jefferies, founder of a California brokerage that bears his name.

Mr. Jefferies, who was implicated by Mr. Boesky and in turn implicated Mr. Bilzerian, pleaded guilty to securities law violations in 1987. Mr. Jefferies, who faces a maximum of 10 years in prison, testified that he agreed to help Mr. Bilzerian circumvent disclosure laws by buying and holding stock for him.

Hungary Sees Profit in Levi's

Alexandra Shelley/International Herald Tribune

'We are working because we are well paid. It has nothing to do with politics. We are not working for capitalism or socialism.'

Andreas Pinter, general manager at Kiskunhalas.

By Alexandra Shelley

Special to the Herald Tribune

BUDAPEST — A new road sign appeared last fall on the outskirts of the town of Kiskunhalas in southern Hungary. Beneath the name of the town is a red emblem that says "Levi's" and a large arrow that points to a factory for making blue jeans.

The local government's agreement to put up this sign is one of the smaller concessions the Hungarian leadership has made to Western capital.

The year-old Levi Strauss Budapest Co. is one of more than 300 Western joint ventures in Hungary with more than $320 million invested — a majority of these formed in the increasingly market-oriented climate created by Karoly Grosz, who took over as general secretary of the Communist Party in 1987.

In the midst of socialist Hungary, Levi Budapest has carved out an operation that is free of union and party interference and that enjoys a five-year tax holiday because of the special status of foreign ventures.

Motivational tactics include wages that average more than 10,000 forints a month (about $170 at official rates), more than twice the average for Hungarian garment factory workers, and the work force has achieved production levels considered remarkable by Hungarian experts and Western observers.

The 160 workers at the Kiskunhalas plant — most of

See LEVI'S, Page 13

Dollar Surges On Sharp Rise In Price Index

Compiled by Our Staff From Dispatches

LONDON — The dollar surged to close above 2 Deutsche marks in hectic European trading on Friday after the report that U.S. inflation, as measured by the Producer Price Index, had risen much more sharply than expected last month.

The government reported Friday that producer prices climbed 0.9 percent in May, more than double the 0.4 percent April rise and substantially more than most economists had predicted.

The data brought an abrupt halt to speculation that the Federal Reserve Board would allow U.S. interest rates to fall further.

Short-term U.S. rates have fallen nearly half a percentage point over the past week and major U.S. banks recently reduced the prime lending rates to 11 percent from 11.5 percent in anticipation of a Fed move to ease credit.

"The producer prices mean we shouldn't expect the Fed to let interest rates ease," said Werner Bauer, chief dealer at Bankhaus Bethmann. "And with support still coming from China, that means the dollar will remain strong for the time being."

The dollar, benefiting from its perceived status as a "safe-haven" currency in times of unrest, has drawn strength recently from the political turmoil in China.

The U.S. currency soared to close in London at 2.0055 DM, up from 1.9765 DM on Thursday, to at 146.30 yen, up from 143.30 yen.

The close was the first time in nearly two weeks that the U.S. currency finished above 2 DM.

Dealers said that the dollar's sharp rise against the yen came despite repeated intervention by the Bank of Japan to support its currency. Dealers said the events in China, and the economic instability that has begun to touch Hong Kong, has left the yen vulnerable.

"The yen is the most pressured of the major currencies at the moment," said Tetsuya Tonoike, a dealer at Sumitomo Bank.

The dollar also climbed to 1.7410 Swiss francs from 1.7120 francs on Thursday, and to 6.7975 French francs from 6.7065 francs.

Analysts noted that part of the steep rise in U.S. producer prices last month could be explained by a 0.8 percent rise in food prices and 3.3 percent increase in energy prices.

Analysts also noted that other aspects of the report, including the 0.1 percent rise in prices for intermediate materials and the 0.4 percent increase in prices of capital equipment showed little inflationary pressure.

But dealers said that with the market looking for reasons to push the dollar higher, the mitigating factors in the report carried little weight.

"Everyone has concluded that the only place to invest right now is the U.S.," said Charles Wheeler, a dealer at Union Bank of Switzerland.

Dealers said that next Friday's report on U.S. consumer prices would be the next big hurdle for the dollar. If the report confirms a trend toward higher inflation than the dollar could soar further. But dealers said that even if the report shows stable price pressures, the currency is unlikely to weaken much.

In New York, the dollar was sharply higher at midsession with dealers predicting continued gains for the currency.

New York dealers said the combination of stable or rising U.S. interest rates and the political turmoil in China was increasing the flow of speculative funds into the dollar.

They noted that Japanese purchases of U.S. Treasury securities have been particularly heavy.

The dollar was trading at 2.0015 DM, up from 1.9697 DM on Thursday, and at 146.050 yen, up 143.125 yen.

The British pound continued to weaken in the face of the strong dollar. Dealers said the pound was all but forgotten amid hectic dollar/mark and dollar/yen trading.

"Nobody is really paying any attention to it," said Albert Soria of Kansallis-Osake-Pankki Bank.

The pound had fallen to $1.5550

See DOLLAR, Page 15

China Unrest Seen as Harmful to Asia Economies

By Michael Richardson

International Herald Tribune

SINGAPORE — The turmoil in China is likely to diminish future possibilities for the closer economic integration of East Asia, according to bankers, businessmen and economic analysts.

With the country perceived to be in danger of slipping into protracted economic isolation, many business executives in Asia are starting to look beyond the costs of short-term disruption of trade and investment with China to longer-term impacts on the region's booming economy.

Interviewed Friday, bankers and economic analysts in various Asian capitals said that even if the power struggle between hard-line conservatives and moderates is resolved quickly and the Chinese authorities continue to support economic reform, it will take years to repair the country's image as a stable place for investment.

They noted the obvious loss of confidence in the Chinese government by many of its citizens and foreign nations, as a result of the military suppression of the pro-democracy movement in Beijing.

Now, the analysts said, a slowing in trade is likely to ensue among some of the major economies in the region — Japan, China, South Korea, Taiwan, Hong Kong and countries in the Association of South East Asian Nations, or ASEAN.

This will make it more difficult for Japan and the newly industrialized countries — Taiwan, South Korea, Hong Kong and Singapore — to reduce their trade surpluses with the United States and the European Community by exporting more to the rest of East Asia, including China.

There will also be important shifts in investment and sales priorities by Asian and multinational corporations away from China, Hong Kong and Taiwan to Southeast Asia, bankers and analysts said.

The nations in ASEAN are Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand.

Most Asian and foreign businessmen said that popular backing for market-oriented economic reform was so strong in China that it would be politically risky for any government to reverse the policies introduced over the past decade.

"But China has suddenly become a very unpredictable place and we have no idea what is going to happen next," said a trader in Singapore.

In countries throughout the East Asian region, China-related investment plans, contracts, trade agreements and bank loans were put on hold this week as thousands of staff of foreign companies withdrew from China.

But the real significance of the crisis in China, said Sanjoy Chowdhury, senior Asia-Pacific economist for Merrill Lynch in Singapore, is the impact it may have on future prospects for trade and economic growth in East Asia.

China, with a population of more than one billion, "was the largest prospective market in the region and all the other East Asian countries have been opening up economic relations with China very actively in the past few years."

This process, Mr. Chowdhury said, "is going to slow down if not get reversed."

Rapid expansion of trade between East Asian countries has been a major contributing factor to high rates of economic growth among the region's export-oriented economies in the past decade.

In 1988, trade within East Asia amounted to $194 billion, nearly 24 percent more than in 1987 and $18 billion more than the value of the region's exports to the United States last year.

China's imports and exports accounted for nearly a quarter of the total intra-Asian trade in 1988.

Because of proximity and close ethnic and cultural ties to China, the economic shock waves from the Chinese mainland have had an immediate impact in Hong Kong and Taiwan.

Business and investor confidence, and stock and property prices, have slumped in recent

See REGION, Page 14

Currency Rates

Cross Rates

June 9

	$	£	D.M.	F.F.	IL.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.341	3.501	1.1266	0.332	0.1549 *	—	5.377 *	1.2988	1.5453 *
Brussels(a)	41.6425	65.07	20.9455	6.1745	2.88 *	18.5935	—	24.1475	0.2875
Frankfurt	1.99	3.106	—	0.2949	0.1375 *	0.8878	4.774 *	1.1536	1.3725 *
London (b)	1.554	—	3.1155	10.558	2,256.50	3.502	65.20	2.7075	226.92
Milan	1,448.20	2,282.99	727.82	214.45	—	646.12	34.758	839.85	9.986
New York(c)	—	1.547 b	2.011	6.815	1,457.50	2.265	42.055	1.748	146.65
Paris	6.7455	10.5395	3.392	—	0.4661 *	3.0114	0.1619	3.9113	4.67 *
Tokyo	143.55	226.52	72.72	21.43	0.999	64.56	3.4696	84.00	—
Zurich	1.7408	2.7005	0.8686	0.2568	0.1198 *	0.7715	4.1571 *	—	1.1929 *
1 ECU	1.0436	0.6673	2.0745	7.0367	1,509.88	2.337	43.4517	1.7987	151.139
1 SDR	1.2385	0.7929	2.4647	8.3546	1,790.87	2.7756	51.6007	2.1359	177.792

*Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	170.00	Fin. markka	4.433	Mex. peso*	2474.00	S. Afr. rand	2.7885
Austral. $	1.3295	Greek drac.	170.65	N. Zealand $	1.75	Soviet ruble*	0.6407
Austr. schil.	14.01	Hong Kong $	7.79	Nig. naira*	5.2995	Span. peseta	128.80
Brazil cruz.	1.208	Indian rupee	16.27	Norw. krone	7.184	Swed. krona	6.69
Canadian $	1.1955	Indo. rupiah	1758.00	Phil. peso	20.78	Taiwan $	25.80
Chinese yuan*	3.7221	Irish £	0.7435	Port. escudo	165.55	Thai baht*	25.74
Danish krone	7.7325	Israeli shek.	1.89	Saudi riyal*	3.748	Turkish lira	2066.00
Egypt. pound	2.5732	Kuwaiti dinar*	0.2942	Sing. $	1.946	UAE dirham*	3.6695
		Malay. ring.*	2.7005	S. Kor. won	664.20	Venez. boliv.	38.50

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5575	1.5510	1.5449	Canadian dollar	1.1984	1.2016	1.2041
Japanese yen	143.20	143.80	143.36	Swiss franc	1.7205	1.7173	1.7152
Deutsche mark	1.9827	1.9787	1.9757				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

June 9

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	9 5/16-9 7/16	6¾-6⅞	7 1/16-7 3/16	13 13/16-13 15/16	8 11/16-8 13/16	5⅛-5¼	8¾-8⅞	8¼
2 months	9 5/16-9 7/16	6 13/16-6 15/16	7 1/16-7 3/16	13 13/16-13 15/16	8 13/16-8 15/16	5⅛-5¼	8 13/16-8 15/16	8¼
3 months	9⅛-9¼	6 13/16-6 15/16	7 1/16-7 3/16	13⅞-14	8⅞-9	5 3/16-5 5/16	8⅞-9	8¼
6 months	9-9⅛	7-7⅛	7⅛-7¼	14 1/16-14 3/16	8 15/16-9 1/16	5 5/16-5 7/16	9-9⅛	8¼
1 year	8 15/16-9 1/16	7 1/16-7 3/16	7 1/16-7 3/16	13 15/16-14 1/16	9-9⅛	5 5/16-5 7/16	9 1/16-9 3/16	8¼

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR).
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 9

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	11.00	11.00
Federal funds	9⅝	9⅝
Com paper 90-179 days	8.16	8.16
3-month Treasury bills	8.15	8.11
6-month Treasury bills	7.80	7.77
3-month CD's	8.80	8.85
6-month CD's	8.75	8.80
Japan		
Discount rate	3¼	3¼
Call money	4⅞	4 25/32
2-month interbank	5 7/32	5 7/32
3-month interbank	5¼	5 7/32
West Germany		
Discount rate	4½	4½
Lombard rate	6½	6½
Overnight rate	6½	6.65
1-month interbank	6.65	6.70
3-month interbank	6.95	6.95
6-month interbank	7.10	7.10
Britain		
Bank base rate	14.00	14.00
Call money	13½	13¾
3-month interbank	14⅛	14.00
6-month interbank	14 3/16	14 1/16
France		
Intervention rate	8¼	8¼
Call money	9.50	9.00
1-month interbank	8⅞	8¾
3-month interbank	8⅞	8¾
6-month interbank	8 15/16	8 13/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 9

1 month	9 5/16 - 9 7/16
2 months	9 5/16 - 9 7/16
3 months	9⅛ - 9¼
6 months	8 15/16 - 9 1/16
1 year	8¾ - 9

Source: Reuters.

U.S. Money Market Funds

June 9

Merrill Lynch Ready Assets
30-day average yield: 9.44

Telerate Interest Rate Index: 8.861

Source: Merrill Lynch, Telerate.

Gold

June 9

	A.M.	P.M.	Ch'ge
Hong Kong	373.55	372.85	— 3.30
Luxembourg	372.75	—	— 2.10
Paris (12.5 kilo)	373.65	371.44	— 3.79
Zurich	372.85	370.45	— 4.30
London	371.25	368.25	— 6.25
New York	—	357.375	— 15.375

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Moody's to Review Debt In China, Hong Kong

Agence France-Presse

TOKYO — Moody's Investor Service, Inc., one of two leading U.S. credit-rating agencies, said Friday it was reviewing its ratings for China and Hong Kong, affecting roughly $5.1 billion in long-term debt.

The statement was the first announcement by an international credit-rating agency of a formal review of China's ability to meet foreign debt repayments.

The review for possible downgrading includes a reassessment of the creditworthiness of Hongkong & Shanghai Banking Corp., the biggest non-Japanese bank in Asia, and Mass Transit Railway Corp., the British colony's biggest international borrower.

Moody's rating for all Hong Kong bank deposits will also be reviewed.

The agency said it was "reviewing whether its existing rating of China adequately reflects the risks posed by the political upheaval in that country."

It added that the outlook may have deteriorated to the point where the country's current rating "no longer remains an appropriate measure of the nation's creditworthiness."

Moody's said it was reviewing its ratings on Hong Kong because of

See RATING, Page 14

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Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

U.S. Futures

Via The Associated Press

June 9

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.22	3.27	Jul	3.84	3.87½	3.83¾	3.86½	+.04¾
4.29	3.50½	Sep	3.91	3.94½	3.91	3.94	+.04¾
4.40½	3.78	Dec	4.05½	4.07½	4.04	4.07¼	+.04¼
4.43	4.03½	Mar	4.10	4.13½	4.09¾	4.12½	+.04¼
4.32	3.98	May	4.03½	4.04	4.00	4.02	+.00½
3.85	3.65	Jul	3.69½	3.71	3.69½	3.71	+.02½
Est. Sales		Prev. Sales 18,852					
Prev. Day Open Int. 68,834 up 2,389							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.40	2.33	Jul	2.53½	2.55	2.51½	2.51¾	—.01½
3.17¾	2.36	Sep	2.38	2.38¾	2.36	2.36¼	—.00¾
2.95	2.31½	Dec	2.32½	2.33½	2.31¾	2.32¾	+.00½
2.86½	2.39¾	Mar	2.40	2.40¾	2.39¾	2.40	
2.89½	2.44	May	2.45	2.45	2.43½	2.44¾	+.00¼
2.84	2.44¾	Jul	2.46	2.46	2.44½	2.44¾	—.00¼
2.55	2.34	Sep	2.36½	2.36½	2.36½	2.36½	
2.43	2.31½	Dec	2.34	2.35	2.33½	2.34	
Est. Sales		Prev. Sales 47,394					
Prev. Day Open Int. 160,476 up 382							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
9.86	6.88¾	Jul	7.15	7.16½	7.00¾	7.02½	—.11½
9.51	6.75	Aug	6.84	6.84	6.72½	6.73¾	—.06¾
8.35	6.40	Sep	6.42½	6.44½	6.36	6.38½	—.03
7.93	6.20	Nov	6.27	6.32	6.24	6.27	+.01½
7.67	6.30½	Jan	6.35	6.41	6.33½	6.36¼	+.01¾
7.74	6.42½	Mar	6.45	6.50	6.44½	6.46	+.01½
7.78	6.47	May	6.52	6.55	6.50	6.53½	+.03½
6.69	6.48	Jul	6.53	6.56	6.51	6.54¾	+.03½
6.48	6.48	Aug				6.49	+.01
6.38	6.30	Sep				6.31	+.01
6.60	6.15	Nov	6.20	6.25	6.20	6.21	+.01
Est. Sales		Prev. Sales 38,443					
Prev. Day Open Int. 98,172 up 899							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
300.00	203.50	Jul	206.00	206.00	203.80	204.40	—1.20
298.00	198.50	Aug	199.50	200.50	198.00	198.50	—.50
286.00	191.50	Sep	192.70	193.20	191.50	192.20	—.50
280.00	184.50	Oct	186.50	188.50	186.00	187.50	+.30
240.00	183.00	Dec	184.50	188.00	184.50	187.10	+2.20
230.00	183.50	Jan	184.50	187.00	184.50	187.00	+2.00
249.20	183.50	Mar	184.50	187.00	184.50	187.00	+2.20
230.50	183.00	May	183.00	185.70	183.00	185.70	+1.20
187.00	183.00	Jul	184.00	184.00	184.00	184.00	—.50
Est. Sales		Prev. Sales 15,261					
Prev. Day Open Int. 64,030 up 833							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
32.50	20.86	Jul	20.90	20.99	20.25	20.38	—.42
32.05	21.10	Aug	21.20	21.20	20.54	20.59	—.61
29.50	21.25	Sep	21.30	21.35	20.75	20.78	—.55
28.80	21.45	Oct	21.40	21.45	20.85	20.87	—.58
28.05	21.75	Dec	21.73	21.75	21.18	21.20	—.58
25.45	21.80	Jan	21.85	21.85	21.30	21.32	—.57
25.85	22.28	Mar	22.30	22.30	21.72	21.72	—.56
26.05	22.35	May	22.20	22.20	21.95	21.95	—.37
25.80	22.35	Jul	21.98	21.98	21.90	21.87	—.45
23.90	22.35	Aug				21.87	—.45
Est. Sales		Prev. Sales 13,738					
Prev. Day Open Int. 77,565 up 136							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.90	68.15	Jun	69.32	69.95	69.30	69.82	+.50
73.80	65.00	Aug	68.40	69.17	68.25	69.05	+.80
73.15	66.30	Sep				68.80	+.02
74.11	68.20	Oct	70.90	71.50	70.77	71.42	+.60
73.95	69.00	Dec	71.35	71.92	71.25	71.72	+.50
73.60	69.80	Feb	71.35	71.90	71.25	71.90	+.53
74.00	70.80	Apr	71.90	72.35	71.85	72.32	+.42
72.35	69.75	Jun	70.40	71.00	70.40	71.00	+.75
Est. Sales 22,257 Prev. Sales 14,717							
Prev. Day Open Int. 69,930 up 45							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
82.30	73.65	Aug	79.15	80.00	79.15	79.95	+.93
82.10	75.50	Sep	79.30	80.20	79.30	80.08	+.85
83.00	75.90	Oct	79.50	80.15	79.50	79.97	+.60
83.50	76.60	Nov	79.85	80.55	79.85	80.55	+.70
83.75	77.30	Jan	80.10	80.65	80.00	80.70	+.60
79.50	77.40	Mar	79.85	80.00	79.85	80.25	+.75
78.90	78.50	Apr				79.50	+.50
Est. Sales 2,897 Prev. Sales 1,790							
Prev. Day Open Int. 12,075 up 84							
HOGS (CME) 30,000 lbs.- cents per lb.							
54.25	42.50	Jun	48.20	48.40	47.80	47.90	—.48
56.00	45.20	Jul	47.55	47.70	47.10	47.20	—.38
51.00	43.25	Aug	45.20	45.50	45.07	45.22	—.08
47.00	40.80	Oct	42.25	42.35	41.77	41.87	—.38
47.25	38.75	Dec	44.30	44.45	43.95	44.30	
47.40	43.70	Feb	46.20	46.25	45.75	45.90	—.17
45.10	42.77	Apr	43.75	43.75	43.45	43.50	—.22
48.05	46.40	Jun	47.40	47.40	47.15	47.25	—.30
Est. Sales 5,979 Prev. Sales 3,627							
Prev. Day Open Int. 27,846 up 115							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
64.50	28.75	Jul	32.30	32.70	31.40	31.95	—.30
58.20	29.20	Aug	32.30	32.65	31.55	31.92	—.45
61.60	42.00	Feb	47.95	48.00	47.25	47.30	—.45
60.00	42.00	Mar	47.45	47.45	46.80	46.80	—.40
60.90	46.85	May	48.20	48.20	48.20	48.20	—.30
60.90	47.15	Jul	49.00	49.00	49.00	49.00	—.30
55.80	46.05	Aug	46.80	46.80	46.80	47.80	+.70
Est. Sales 5,614 Prev. Sales 6,387							
Prev. Day Open Int. 26,787 off 208							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
COPPER (COMEX) 25,000 lbs.- cents per lb.							
137.70	104.10	Jun	110.40	110.40	110.40	110.25	—1.10
138.50	72.70	Jul	113.50	114.40	110.70	111.05	—1.10
		Aug				110.05	—1.10
131.50	74.00	Sep	111.50	112.15	108.40	109.10	—1.05
126.00	77.45	Dec	108.50	109.00	106.20	106.40	—.85
Est. Sales 9,800 Prev. Sales 9,832							
Prev. Day Open Int. 28,574 up 194							
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
		Jun				90.25	
104.00	83.00	Jul				88.75	
		Aug				87.25	
104.00	82.50	Sep				85.25	
98.50	82.00	Dec	82.00	82.00	82.00	82.50	—.50
82.50	82.50	Jan				83.00	+2.00
87.00	87.00	Mar				83.00	+2.00
		May				83.00	+2.00
95.50	95.50	Jul				83.00	+2.00
		Sep				83.00	+2.00
		Dec				83.00	+2.00
		Jan				83.00	+2.00
		Mar				83.00	+2.00
Est. Sales		Prev. Sales					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
589.0	517.0	Jun	545.0	545.0	522.0	516.2	—28.1
985.0	522.0	Jul	539.0	549.5	517.0	519.8	—28.8
		Aug				523.5	—28.8
861.0	522.0	Sep	549.0	559.0	527.0	528.1	—29.1
880.0	530.0	Dec	562.0	571.0	538.0	540.3	—30.0
815.0	533.0	Jan				544.2	—30.1
910.0	547.5	Mar	576.0	580.5	552.0	552.3	—30.5
910.0	558.0	May	570.0	570.0	545.0	560.3	—31.0
741.5	566.0	Jul	599.0	599.0	575.0	568.8	—31.5
760.0	585.0	Sep				577.3	—32.0
742.0	582.0	Dec	620.0	620.0	595.0	589.2	—32.7
680.0	596.8	Jan				593.8	—33.1
665.0	603.0	Mar	610.0	610.0	610.0	601.5	—33.5
Est. Sales 30,000 Prev. Sales 19,242							
Prev. Day Open Int. 87,137 off 569							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
570.00	360.60	Jun	371.00	372.00	356.50	358.10	—15.40
		Jul				359.50	—14.80
575.00	363.80	Aug	375.00	376.20	360.50	362.80	—16.10
575.50	367.70	Oct	379.50	380.00	365.00	365.70	—16.40
514.50	371.00	Dec	383.10	384.30	367.50	369.10	—17.00
516.00	375.50	Feb	387.20	387.50	374.00	373.10	—17.00
525.00	379.00	Apr	378.00	378.00	378.00	377.00	—17.30
497.00	382.00	Jun	393.50	393.50	381.00	380.90	—17.40
487.00	389.50	Aug	384.50	386.00	384.50	384.80	—17.90
472.00	397.00	Oct	400.00	400.00	391.00	388.90	—18.20
455.50	395.50	Dec	407.00	397.00	395.50	392.90	—18.50
450.00	397.50	Feb	404.50	404.50	404.50	397.00	—18.80
		Apr				401.10	—19.10
Est. Sales 90,000 Prev. Sales 34,887							
Prev. Day Open Int. 168,117 off 3,260							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.33	90.41	Sep	92.66	92.72	92.53	92.72	+.08
92.91	90.50	Dec	92.93	92.97	92.48	92.96	+.10
93.00	90.75	Mar	92.97	92.97	92.93	92.97	+.10
92.85	91.10	Jun	92.88	92.87	92.80	92.87	+.10
92.90	91.20	Sep	92.70	92.70	92.70	92.95	+.07
Est. Sales 7,944 Prev. Sales 4,848							
Prev. Day Open Int. 20,544 off 392							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
98-4	89-8	Jun	98-10	98-22	97-8	98-21	+24
98-9	89-13	Sep	98-4	98-31	97-9	98-28	+25
98-13	91-17	Dec	98-20	99-1	97-5	99	+25
98-6	95-17	Mar				99-1	+25
Est. Sales		Prev. Sales 37,019					
Prev. Day Open Int. 81,140 off 903							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
95-21	73-11	Jun	95-21	96-28	94-24	96-27	+19
95-18	72-26	Sep	94-1	96-15	94-12	96-15	+19
95-12	72-18	Dec	95-15	96-17	94-18	96-19	+19
95-6	73-1	Mar	95-13	96-13	94-18	96-13	+19
94-29	75	Jun	94-24	96-6	94-24	96-6	+19
94-22	79-1	Sep	95-6	95-30	94-12	95-30	+18
94-14	80	Dec	95-19	95-21	95-14	95-21	+17
94-6	79-21	Mar	94-22	95-12	94-22	95-12	+16
93-1	82-18	Jun	94-28	95-4	94-28	95-4	+16
91-22	88-4	Sep				94-28	+16
93	88-18	Dec				94-20	+16
Est. Sales		Prev. Sales 308,488					
Prev. Day Open Int. 310,079 off 3,977							
MUNICIPAL BONDS (CBT) $1000x Index- pts & 32nds of 100 pct							
94-26	77-4	Jun	95	95-12	94-10	95-12	+20
94-11	77-14	Sep	94-22	95-2	93-20	95	+21
93-24	81-10	Dec	93-2	94-17	93-2	94-15	+20
92-26	85-19	Mar	93-23	94-2	93-23	94	+20
92-12	87-2	Jun	93-10	93-20	93-10	93-19	+20
Est. Sales		Prev. Sales 4,727					
Prev. Day Open Int. 17,615 up 1,536							
EURODOLLARS (IMM) $1 million- pts of 100 pct.							
92.72	88.76	Jun	90.94	90.95	90.60	90.85	+.05
91.92	88.70	Sep	91.30	91.45	91.08	91.44	+.10
91.76	88.84	Dec	91.32	91.41	91.32	91.39	+.12
91.62	88.90	Mar	91.63	91.72	91.48	91.67	+.14
91.53	88.82	Jun	91.57	91.63	91.40	91.63	+.11
91.47	88.74	Sep	91.49	91.54	91.32	91.55	+.11
91.33	89.05	Dec	91.32	91.42	91.19	91.41	+.10
91.36	89.36	Mar	91.37	91.42	91.22	91.41	+.07
91.36	89.91	Jun	91.34	91.35	91.18	91.35	+.05
91.30	90.04	Sep	91.13	91.25	91.13	91.29	+.04
91.25	90.04	Dec	91.06	91.19	91.04	91.22	+.04
91.29	90.89	Mar	91.22	91.22	91.10	91.25	+.03
Est. Sales		Prev. Sales 129,674					
Prev. Day Open Int. 758,066 off 1,465							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8370	1.5520	Jun	1.5626	1.5636	1.5440	1.5466	—272
1.7754	1.5332	Sep	1.5440	1.5454	1.5258	1.5280	—280
1.7400	1.5200	Dec	1.5128	1.5160	1.5056	1.5098	—286
1.5300	1.5000	Mar	1.5000	1.5000	1.4958	1.4942	—286
1.4950	1.4950	Jun	1.4800	1.4800	1.4800	1.4818	—286
Est. Sales		Prev. Sales 10,480					
Prev. Day Open Int. 29,385 off 155							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8440	.7670	Jun	.8355	.8357	.8313	.8319	—38
.8396	.7940	Sep	.8297	.8297	.8252	.8259	—38
.8370	.7920	Dec	.8222	.8223	.8213	.8211	—35
.8310	.7880	Mar	.8195	.8195	.8195	.8173	—34
.8250	.8080	Jun	.8175	.8175	.8159	.8139	—36
Est. Sales		Prev. Sales 5,444					
Prev. Day Open Int. 27,993 off 19							
FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
.16170	.14630	Jun	.14705	.14705	.14705	.14705	—305
.16050	.14640	Sep	.14710	.14710	.14710	.14710	—318
.16105	.14680	Dec	.14775	.14775	.14700	.14730	—310
Est. Sales		Prev. Sales 2					
Prev. Day Open Int. 152							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.5975	.4960	Jun	.5035	.5038	.4978	.4980	—67
.5977	.4980	Sep	.5062	.5066	.5000	.5003	—71
.5825	.5013	Dec	.5080	.5080	.5030	.5021	—71
.5062	.5035	Mar	.5063	.5063	.5063	.5036	—96
Est. Sales		Prev. Sales 21,525					
Prev. Day Open Int. 32,004 up 94							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008485	.006781	Jun	.006909	.006920	.006853	.006836	—150
.008500	.007049	Sep	.006973	.006980	.006895	.006899	—155
.008450	.007105	Dec	.007025	.007040	.006956	.006952	—145
.008338	.007170	Mar	.007108	.007100	.007010	.007087	—120
Est. Sales		Prev. Sales 26,358					
Prev. Day Open Int. 89,744 up 4,834							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7130	.5560	Jun	.5805	.5809	.5720	.5738	—119
.7210	.5590	Sep	.5830	.5835	.5745	.5745	—129
.6850	.5950	Mar	.5850	.5850	.5850	.5842	—135
.6592	.5600	Dec	.5822	.5822	.5775	.5782	—125
Est. Sales		Prev. Sales 28,193					
Prev. Day Open Int. 41,027 off 1,823							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
196.00	167.10	Jul	181.50	183.60	180.90	182.50	+.80
194.70	175.10	Sep	184.40	186.20	183.90	185.60	+1.20
190.60	174.30	Nov	182.00	184.20	181.60	183.20	+1.00
192.00	181.20	Jan	186.50	188.40	186.30	187.90	+.30
191.80	185.00	Mar	190.90	191.00	189.00	190.70	+.90
194.80	188.00	May	193.60	194.00	192.50	194.00	
195.70	177.50	Jul	195.70	195.80	195.50	196.10	+.40
Est. Sales 1,101 Prev. Sales 844							
Prev. Day Open Int. 7,596 up 183							

Stock Indexes

(Indexes compiled shortly before market close)

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
328.45	263.80	Jun	327.70	328.40	325.40	327.15	—.85
332.80	271.50	Sep	332.40	332.95	329.90	331.65	—.80
335.80	290.90	Dec	336.40	336.45	336.40	335.70	—.70
340.65	331.00	Mar	338.25	338.25	338.25	339.25	—2.15
Est. Sales		Prev. Sales 53,026					
Prev. Day Open Int. 147,352 up 775							
VALUE LINE (KCBT) points and cents							
289.50	245.70	Jun	289.30	290.10	288.20	289.70	+.85
294.10	266.20	Sep	293.80	294.50	293.20	294.50	+.50
Est. Sales		Prev. Sales 326					
Prev. Day Open Int. 1,578 up 48							

Commodity Indexes

	Close	Previous
Moody's	1,073.80 f	1,066.20 f
Reuters	1,995.60	1,991.00
D.J. Futures	131.10	132.02
Com. Research	229.02	231.39

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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To Our Readers

Some commodities prices were not available for this edition because of technical problems.

Currency Options

June 9

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jun	Calls—Last Jul	Calls—Last Sep	Puts—Last Jun	Puts—Last Jul	Puts—Last Sep
[illegible]							

Total call vol. 19,375 Call open int. 444,815
Total put vol. 25,065 Put open int. 318,858
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

The Daily Source for International Investors.

Floating-Rate Notes

June 9

Dollars

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Askd
Cal 97 Yen	-		100.00	100.50
Cr Foncier Aug97 Yen	4⅝	30-08	100.10	100.60

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Askd
Belgium May 99	8.781	11-08	99.90	100.00
Roma 92 (Ecu)	8⅝	08-08	99.75	100.25
Cr Foncier 96 (Ecu)	8.8	18-07	99.87	100.12
Ireland 97 (Ecu)	9	30-10	99.50	100.00
Italy 92 Ecu	8⅝	30-06	99.95	100.15
Pscarp 19Sept 97 Ecu	9	21-06	99.12	99.62
Sigobola Perp Ecu	7⅝	-	94.00	94.80

Source : Credit Suisse-First Boston Ltd., London

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Paris Commodities

June 9

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Aug	2,450	2,375	2,434	2,440	+90
Oct	2,247	2,210	2,235	2,225	+38
Dec	N.T.	N.T.	2,158	2,190	+11
Mar	2,105	2,100	2,100	2,110	+33
May	N.T.	N.T.	2,085	2,110	+33
Aug	N.T.	N.T.	2,080	2,110	+40
Est. vol.: 3,152 lots of 50 tons. Prev. actual sales: 813 lots. Open interest: 13,748.					
COCOA French francs per 100 kg					
Jly	N.T.	N.T.	870	—	Unch.
Sep	N.T.	N.T.	875	—	Unch.
Dec	N.T.	N.T.	905	—	Unch.
Mar	N.T.	N.T.	905	—	Unch.
May	N.T.	N.T.	905	—	Unch.
Jly	N.T.	N.T.	902	—	Unch.
Sep	N.T.	N.T.	905	—	Unch.
Est. vol.: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open position : 4.					
COFFEE French francs per 100 kg					
Jly	N.T.	N.T.	1,240	1,275	+18
Sep	N.T.	N.T.	1,222	1,250	+16
Nov	1,175	1,175	1,206	1,218	+12
Jan	N.T.	N.T.	1,190	—	+18
Mar	N.T.	N.T.	1,188	—	+28
May	N.T.	N.T.	1,177	—	+20
Jly	N.T.	N.T.	1,180	—	+25
Est. vol.: 20 lots of 5 tons. Prev. actual sales: 5 lots. Open position : 168.					

Source: Bourse de Commerce.

London Commodities

June 9

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
SUGAR U.S. Dollars per metric ton						
Aug	259.00	259.60	264.00	257.00	260.20	261.00
Oct	258.40	259.00	264.40	256.00	260.20	260.40
Dec	253.20	256.00	260.00	260.00	251.00	259.20
Mar	250.00	250.80	254.00	252.20	250.80	251.00
May	249.80	250.20	253.00	251.20	249.60	249.80
Aug	249.20	250.00	N.T.	N.T.	249.00	249.60
Oct	248.40	249.00	251.40	250.60	247.00	249.80
Volume: 4,693 lots of 50 tons.						
COCOA Sterling per metric ton						
Jul	816	817	830	811	808	819
Sep	834	835	843	830	826	827
Dec	867	868	877	880	878	880
Mar	886	888	892	884	878	882
May	888	892	897	887	882	885
Jul	901	903	910	900	894	895
Sep	917	918	926	914	902	912
Volume: 5,051 lots of 5 tons.						
GASOIL U.S. dollars per metric ton						
Jul	142.75	143.00	143.75	142.00	142.50	142.75
Aug	142.75	143.00	144.50	142.25	143.25	143.50
Sep	143.25	144.75	145.50	143.75	144.25	144.50
Oct	145.00	146.00	146.50	145.00	146.25	146.50
Nov	146.75	147.00	147.50	146.75	147.50	148.00
Dec	148.25	149.00	150.25	148.25	149.00	149.50
Jan	149.00	149.25	N.T.	N.T.	150.50	151.00
Feb	N.Q.	N.Q.	N.T.	N.T.	145.00	154.00
Volume: 4,375 lots of 100 tons.						

Sources: Reuters and London Petroleum Exchange.

London Metals

June 9

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1915.00	1925.00	1935.00	1940.00
Forward	1860.00	1865.00	1877.00	1880.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1654.00	1656.00	1603.00	1605.00
Forward	1649.00	1650.00	1599.00	1600.00
LEAD Sterling per metric ton				
Spot	427.00	428.00	430.00	435.00
Forward	406.00	407.00	407.00	408.00
NICKEL Dollars per metric ton				
Spot	12500	12550	12750	12800
Forward	11600	11650	11700	11750
SILVER U.S. cents per troy ounce				
Spot	537.00	540.00	542.00	545.00
Forward	540.00	543.00	545.00	548.00
ZINC (High Grade) U.S. Dollars per metric ton				
Spot	1520.00	1530.00	1505.00	1515.00
Forward	1483.00	1485.00	1465.00	1470.00

Source: AP.

S&P 100 Index Options

June 9

Strike Price	Calls-Last Jun	Jly	Aug	Sep	Puts-Last Jun	Jly	Aug	Sep
[illegible]								

Calls: total volume 186,731; total open int. 315,575
Puts: total volume 114,722; total open int. 448,309
S&P 100 Index:
High 303.52 low 300.90 close 302.32 — 0.25
Source: CBOE.

U.S. Treasuries

June 9

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	8.19	8.21	8.49	8.40
6-month bill	7.87	7.89	8.31	8.20
1-year bill	7.70	7.72	8.32	8.25
	Bid	Offer	Yield	Prev. Yield
30-yr. bond	108 2/32	108 4/32	8.15	8.30

Source: Salomon Brothers.

Dividends

June 9

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
Westrn Gas Procsrs	Q	.45	8-15	6-30
INCREASED				
Betz Laboratories	Q	.47	8-18	7-27
Dial REIT	Q	.42	8-8	6-23
Duplex Products	Q	.18	7-11	6-23
James River Corp	Q	.15	7-31	7-17
Peoples Jewellers	Q	.11	6-23	6-20
Total Petrim (NA)	Q	.30	9-20	8-25
SPECIAL				
Kelly Douglas	-	.0486	6-19	6-16
STOCK				
NAC Re Corp	-	.50 PC	7-6	6-22
STOCK SPLIT				
Carl Karcher Enterprises — 3-for-1				
USUAL				
Alaska Air Group	Q	.05	8-4	7-14
Amwest Insurance	Q	.05	7-15	6-30
AVX Corp	Q	.06	8-15	7-18
BEI Holdings Ltd	Q	.06	7-3	6-19
Centel Corp	Q	.51	7-31	7-10
Chrysler Corp	Q	.30	7-17	6-19
Comstock Pirs SFI	-	.1044	6-30	6-23
Fst Comm. Bncshrs		.15	7-3	6-23
Foothill Group cl-A	Q	.07	7-20	6-28
Graphic Industries	Q	.01 ¾	7-7	6-22
Hancock Fabrics Inc		.12	7-3	6-19
Hasbro Inc	Q	.04	8-18	8-4
Imperial Holly	Q	.12	7-3	6-19
Lomas Mortg Scrt F	M	.16 ½	6-27	6-19
Medical Properties	Q	.30	7-14	6-30
Merrimac Industries	Q	.05	6-27	6-19
NERCO Inc	Q	.16	8-15	7-21
Overseas Shipholding	Q	.12 ½	8-24	8-1
Pratt & Lambert Inc	Q	.11	7-3	6-19
Putnam Optn Incm	Q	.10	6-30	6-20
Putnm Vista Bsc VF	Q	.45	6-30	6-20
Times Mirror A&C	Q	.25	9-10	8-25
TIS Mtge Invst	Q	.16	7-14	6-30
Trinity Industries	Q	.12 ½	7-31	7-14
Uni-Marts Inc A&B	Q	.02	7-20	6-30
Universal Foods	Q	.22	8-9	7-18
US Healthcare Inc	Q	.05	6-26	6-15
US Healthcare Inc B	Q	.04 ½	6-26	6-15
VSE Corp	Q	.07	8-16	8-1

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

June 9

Strike Price	Calls-Settle Jun	Jul	Aug	Puts-Settle Jun	Jul	Aug
[illegible]						

Est. total vol.: 21,949
Calls: thu volume: 7,263; open int.: 113,798
Puts: thu volume: 8,958; open int.: 165,294
Source: CME.

Spot Commodities

June 9

Commodity	Today	Prev.
Aluminum, lb	0.91	0.91
Coffee, lb	1.33	1.35
Copper electrolytic, lb	1.185	1.226
Iron FOB, ton	213.00	213.00
Lead, lb	0.37	0.37
Printcloth, yd	0.50	0.58
Silver, troy oz	5.25	5.435
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	115.00	116.50
Tin, lb	6.2124	6.1873
Zinc, lb	0.80	0.85

Source: AP.

Havas in Talks On Pathé Merger

Reuters

PARIS — Agence Havas, the French communications group, is involved in talks about a takeover of the film distributor Pathé-Cinema, André Rousselet, the director of Havas, said in an interview with a business newspaper.

Finance Minister Pierre Bérégovoy said Thursday that France had blocked a 950 million franc ($158 million) acquisition of Pathé by a French-Italian consortium because non-European Community financing was involved.

Mr. Bérégovoy said the state would prefer a French takeover of Pathé, although he did not reject a foreign bid in principle.

Boulet Out of Race for Boase

Reuters

LONDON — The French communications firm Groupe Boulet Dru Dupuy Petit SA said it would let its final offer for the British advertising agency Boase Massimi Pollitt PLC lapse with the offer's close on Friday. The offer, valued at 345 pence a share, was countered by the U.S. advertising agency Omnicom Group Inc. at 365 pence.

BUSINESS ROUNDUP

Edelman Sets Bid for Storehouse

Reuters

LONDON — Asher Edelman, the U.S. corporate raider, said Friday that he was willing to make a a takeover bid of 185 pence a share for Storehouse PLC, valuing the the big British retailer at £756.4 million ($1.2 billion).

In a letter delivered to the Storehouse board on Friday, Mr. Edelman said any offer would be subject to the acceptance of the bid by Sir Terence Conran, the Storehouse chairman, who owns 7 percent of the company.

Storehouse responded that the letter was neither an offer for the company nor a firm intention to make an offer. The company said that if Mr. Edelman, who has a 8.13 percent stake in Storehouse, wished to bid he should do so under the terms of the British takeover code.

Immediately after Mr. Edelman's announcement, Storehouse shares rose to a high of 177 pence. They later fell back to close at 162 pence, still up 8 from Thursday's close.

Although the 185 pence that Mr. Edelman proposed is well above Storehouse's close, it is sharply lower than the previous formal bid for the British retailer.

In September 1987, shortly before the world stock market collapse, Storehouse rejected a £2.04 billion bid from Benlox PLC, the British engineering and investment group, as too low.

Mr. Edelman, because of his existing stake in Storehouse, in April was ordered by Britain's Panel on Takeovers and Mergers to clarify his position on a possible bid for the company.

The panel did not force Mr. Edelman to make an offer but imposed certain restrictions on his handling of his stake in the company.

The agency ordered Mr. Edelman to disclose any further stock purchases in Storehouse and to give 24 hours' notice before selling any shares. Such conditions normally apply only after the formal start of a takeover bid.

Storehouse, which owns the Mothercare, Habitat and British Home Stores chains, has been badly hit by high interest rates in Britain and what analysts have said is poor inventory management.

The company said earlier this month that pretax profit plunged to £11.3 million in the financial year ended April 1, from £114.9 million a year earlier. It also warned that profit would be sharply lower in the first half of the current financial year.

Revenue for the period rose slightly to £1.22 billion from £1.17 billion and but the company declared an unchanged dividend for the year at 8.8 pence.

Storehouse, troubled even by the standards of the beleaguered British retail sector, has previously said its results would show a significant drop compared with last year.

Early this year it announced plans for an exceptional charge of £48 million to cover the cost of a major rationalization plan.

Analysts noted that Michael Julien, Storehouse's chief executive, has been taking drastic measures to turn the company around but it was unclear when those measures would begin to bear fruit.

The bulk of the Storehouse's revenue is generated in Britain but it also operates in Continental Europe and the United States.

■ **Isosceles Boosts Stake**

Isosceles Group, the consortium that has made a £1.87 billion bid for Gateway Corp., said Friday that it had raised its stake in the company to more than 20 percent. Agence France-Presse reported from London.

Isosceles said it bought an additional 10 percent of Gateway shares on Thursday for a price traders estimated at about £300 million. Isosceles first launched its bid, at £1.73 billion, on April 18. Since then it has increased the offer to £1.87 billion.

Crédit Lyonnais to Reshape Trading Units in London

Agence France-Presse

PARIS — Crédit Lyonnais, moving to stem losses in its London trading operations, said Friday it that it had sold a foreign-exchange dealing subsidiary and that it would reorganize its securities unit.

The bank said it had sold its CL-Astaire Co. foreign exchange trading unit to London Investment Trust Holdings, for an undisclosed amount.

Crédit Lyonnais also said that its London-based stock brokerage subsidiary CL-Alexanders, Laing & Cruickshank, would be restructured under the name of Crédit Lyonnais Capital Markets Ltd.

The bank said the securities unit, which posted losses of 603 million francs ($90.0 million) last year, was being "integrated more completely into the group."

Many London securities houses have suffered losses because of the fall in trading volume after the October 1987 market collapse and the deregulation of brokerage commissions in 1986.

The losses in London depressed Crédit Lyonnais net profit by 7.2 percent to 2.06 billion last year. Jean-Yves Haberer, the bank's president, said then that the problems were not specific to the bank and predicted that activity would recover this year.

The losses left Crédit Lyonnais as the worst performing of the big French banks last year as both Société Générale and Banque Nationale de Paris reported higher profit.

The state-owned Crédit Lyonnais has been the only big French bank to acquire a London stock broker after "Big Bang" deregulation of the London markets in October 1986.

Banque Nationale de Paris is a major player in the London-based Eurobond market but it conducts those operations from Paris.

In April, Société Générale entered the money management business in London, spending £50 million ($78.6 million) to acquire Touche Remnant Holdings Ltd.

The combination of Société Générale's London operations with Touche Remnant produced a company with £17.60 billion of funds under management.

After the shake-up, Crédit Lyonnais said its operations in Britain would consist of CL-Capital Markets, which will deal with foreign exchange, corporate finance and other merchant banking activities through four specialized subsidiaries, and Crédit Lyonnais UK, its commercial banking arm, which is unaffected by the changes.

Kuwait Agency Confirms Midland Deal

Reuters

LONDON — The Kuwait Investment Office confirmed Friday that it was the buyer of the 5.2 percent stake in Midland Bank PLC sold by Hanson PLC on Thursday.

The Kuwaiti agency said it considered the purchase to be a good investment but it declined to reveal what price it paid for the stake. The purchase boosted the agency's stake in Midland to 10.3 percent.

Analysts said the London-based investment arm of the Kuwait government likely viewed its Midland stake as a long-term investment, and was possibly positioning itself to take advantage of an eventual merger of Midland with Hongkong & Shanghai Banking Corp.

"They will sit on it as a long-term investment until somebody offers them more money," said William Vincent, an analyst at Salomon Brothers.

He said KIO could be waiting for Midland to announce a full merger with Hongkong Bank to cash in on what is likely to be a substantial bid premium to its prevailing share price.

Hongkong Bank took a 14.9 percent stake in Midland in late 1987 and despite a three-year standstill agreement, most analysts believe a merger is likely before that date.

A Midland spokesman quashed market speculation that Hongkong Bank had acquired the Hanson stake in Thursday's transaction. "If Hongkong Bank had acquired the stake they would have had to clear it with us under the 1987 agreement," the Midland spokesman said. "It would also have required approval by the Bank of England."

The Bank of England is empowered to prevent a buyer from acquiring more than 14.9 percent of a British financial institution.

Analysts said the Kuwait agency stood to benefit from Midland's corporate restructuring and from the significant progress Midland has made after its loss last year on provisioning for Third World debt.

Since selling the 14.9 percent stake to Hongkong Bank, Midland has undergone a major restructuring, closing unprofitable securities operations and swapping or merging overlapping banking operations with Hongkong Bank in Europe and in the Far East.

Midland's shares closed at 349 pence Friday, a decline of 8 pence from Thursday's close. The shares had soared to 390 pence immediately after Hanson's announcement.

LEVI'S: *In the Midst of Socialist Hungary, There Is a New Word for Profit*

(Continued from first finance page)

them young women with no previous garment experience — turn out 3,000 pairs of jeans a day. And for Levi Strauss, which operates 51 plants from Turkey to the Philippines to Africa, the Hungarian operation is the cheapest source of jeans in Europe, according to Ken Sirlin, finance director for Levi Strauss Europe in Geneva.

"With these people, within half a year's time to have 100 percent efficiency compared to factories working 10 or 20 years in the States or Western Europe, I think that is quite a nice world record," said the Hungarian general manager, Andreas Pinter, during a recent visit to the factory.

Production, however, has not been without problems.

With a $17 billion hard-currency debt, Hungary has in the past year dramatically revised its trade and corporate laws to attract foreign investment. Not only in search of capital, the Hungarians are looking West for profit-oriented management and modern technology to produce goods that can be exported for hard currency.

"The thing with the Hungarians is they meet people the first day and they're talking joint ventures," said a commercial officer from a Western embassy.

Janos Barta, head of a department formed this year at the National Bank to encourage foreign investment, explained, "The healthy thing is that the foreign company tends to sell the know-how and the machines and bring efficient management techniques."

Foreign investors are allowed to repatriate forint-denominated profits in hard currency, and are allowed to exchange an unlimited amount of forints for hard currency if, for instance, they need this to pay for the import of raw materials.

Mr. Barta said these liberal regulations illustrated the intensity of Hungary's courtship of joint ventures, although he and other economists worry about the long-term effects of this policy in a country strapped for foreign exchange.

Other incentives are sizable tax breaks, low wages and a law that took effect in January protecting the Western partner from loss because of nationalization.

On the other hand, foreign businesses are still faced with what most describe as a "Byzantine" bureaucracy, the capricious Hungarian currency (the forint was devalued 11 percent in the past few months) and relatively undeveloped infrastructure.

The Levi Strauss Hungarian factory, for example, still hasn't been able to get its own phone line.

Frank Ross, the operations director for Levi Stranss Europe, speaking by telephone from the company's factory in Yugoslavia, said the biggest obstacle in Hungary was finding machine parts, chemicals and other "everyday sundries."

It took the San Francisco headquarters of Levi Strauss & Co. a year to decide to launch the Hungarian joint venture, its first in a socialist country, according to Mr. Pinter. The company's interest goes back 10 years to a licensing agreement with a Hungarian factory, which, concerned about quality, they terminated in 1988.

With an initial investment of $1 million, including the machinery, Levi Strauss holds 51 percent of the Hungarian operation. The four Hungarian partners, all state-owned, are Skala-Tex Clothing & Trade and Centrum Department Stores Co., wholesalers that also own the two major department store chains, and Meteor Clothing Trading Co. and Tritex Trading Co., garment wholesalers that supply outlets in the countryside.

Under the agreement, Levi Strauss has total control over production and marketing. Although its 20-person headquarters in Budapest is staffed entirely by Hungarians, they are in close contact with the Geneva offices of Levi Strauss. Floor managers at the factory were trained abroad.

According to Gyorgy Kezdy, director of Skala-Tex, of the 700,000 jeans expected to be produced at Kiskunhalas this year, 400,000 will go to the domestic market and the rest will be bought for export by Levi Strauss Europe.

Levi Strauss Budapest posted a loss in 1988, but realized a profit by the first quarter of this year, according to Mr. Pinter. The value of production is estimated at 700 million forints for the first year of operations.

Mr. Pinter, a 49-year-old textile engineer and international businessman, began his association with Levi Strauss in 1985 when he solicited its sponsorship for a professional tennis tournament in Budapest.

In the factory he runs, wages are based directly on how much an employee produces. Hungarian factories also use a piece-work system, but often when the productivity increases the norms are revised upwards.

Hungarian employers are hamstrung by a heavy tax on any raise; they give above government ceilings, but joint ventures are exempted. Joint ventures, like other enterprises, must pay 43 percent social security charges on top of wages.

In the clamorous neon-lit sewing room at Levi Strauss, the pace appears breakneck. No one stands idle. Even Hungarian economists and managers say this is extraordinary in this country.

"I have never seen people work so hard in this country," an American diplomat touring the plant commented.

He didn't have to go too far for comparison. The neighboring Skala-Tex knitwear factory is beset with problems common to much of Hungarian industry: a huge outmoded plant producing low-quality goods, a badly paid, sluggish work force and top-heavy organization (of 600 employees, a quarter work in the offices).

The factory has losses of over $1 million a year. The value of production per head at Levi Strauss is 10 times higher.

As unusual to Hungary as the carrots used at Levi Strauss are the sticks: at least three employees who took unexplained sick leave have been fired, causing a scandal that reached national radio on a news program. Three-month contracts are terminated if employees work at less than 60 percent efficiency.

"They think we're slaves," said one Levi Strauss worker in Kiskunhalas, a town of 40,000. Another acknowledged that she was making three times what she had at her former job, but did not think she could last more than four or five years at the pace.

The employees clock the same eight-hour day as other Hungarian factory workers, but Mr. Pinter reported that some arrive early and skip lunch and breaks.

"We are working because we are well paid," he said. "It has nothing to do with politics. We are not working for capitalism or socialism."

The Hungarian factory has no trade union. The workers instead set up their own mutual-benefit society that would be responsible for labor negotiations and emergency funds.

The spokesman for the Central Council of Hungarian Trade Unions, Attila Balint, said in an interview: "If other places can pay as much as the Levi's factory, then it's imaginable that there will be other places without unions. But there are only a few successful factories.

"I'm not afraid of this example."

Levi Strauss Budapest subcontracts with Hungarian factories for its products other than blue jeans, which include denim jackets, athletic wear and miniskirts. These are sold in the Hungarian department stores, in a hard-currency Levi Strauss shop on the Austrian border and in the newly opened shop on Budapest's Engels Square.

In addition, the Hungarian joint venture has begun acting as middleman in the export of non-Levi Strauss Hungarian products to the West.

Bond to Set Up Telephone System

Reuters

PERTH, Australia — Bond Corp. Holdings said Friday that it had signed a preliminary agreement for a joint venture to set up and operate Hungary's first national cellular-telephone system.

Bond Corp. would be affiliated with Coopinvest in Budapest. The system, which could support 50,000 handsets, would be operating within 18 months, the company said.

In May, Alan Bond, the owner of Bond Corp., said he would acquire a majority stake in Hungary's state-owned brewery Kobanyi, which controls around 48 percent of the nation's beer market. Bond Corp. is the world's fifth-largest brewing company.

EC to Impose Tough U.S. Pollution Controls on Smaller Cars in 1993

Reuters

LUXEMBOURG — The European Community agreed Friday to impose tough U.S. pollution controls on all new small cars sold in the 12-nation trading bloc starting at the beginning of 1993.

An EC spokesman said the controls — which involve fitting three-way catalytic converters and electronic fuel-injection systems — will apply to all new models from July 1, 1992, and to all new small cars that come off the assembly line after Dec. 31, 1992.

The controls are expected to add around 7 percent to the selling price. Small cars, which are defined as having engines of under 1.4 liters (85 cubic inches), make up two-thirds of those driven on the roads of the community.

"This is a big victory for the environment," the Dutch environment minister, Ed Nijpels, said.

The environmental group Greenpeace said the controls would reduce noxious emissions from small cars by 75 percent.

The agreement was reached after the pollution-conscious Dutch and West Germans won the right for all EC states to offer on their own limited tax incentives for buyers of "clean cars" before controls become compulsory.

Britain, France and Italy had wanted to stick to 1993, the date originally proposed by the European Commission for the controls.

Friday's agreement ended a five-year search for anti-pollution curbs on the most popular cars in the EC.

The ministers agreed to weaken standards for small cars last November, but were forced to toughen their stance under pressure from the European Parliament and public enthusiasm for the environment.

Several governments, fearing new gains by Green parties in their national elections and European Parliament elections next week, were pressing the EC to adopt stricter standards.

The agreement means the EC Commission will drop legal action against the Dutch government for introducing tax incentives earlier this year.

The Netherlands was the first to announce tax rebates for "clean" cars six months ago, which angered the EC Commission. It filed against the Netherlands at the European Court of Justice on grounds that the Dutch incentive distorted competition.

West Germany, Denmark and Greece also announced tax rebates, forcing the commission to revise its opposition.

Only Denmark and Greece opposed the new agreement. Denmark wanted stricter measures and Greece wanted bigger tax rebates.

EC member states willing to offer tax rebates to buyers of "clean" cars will be allowed to do so, provided the tax cut is substantially lower than the added cost of the car's pollution-free device, the ministers decided.

An EC official explained that the tax rebates would have to be 15 percent to 20 percent lower than the added cost of the car's pollution-reducing device.

Pollution limits for medium and large cars were adopted four years ago by the community.

Pru-Bache Expected to Buy Firm

By Kurt Eichenwald

New York Times Service

NEW YORK — Prudential-Bache Securities Inc. is in the final stages of negotiations to buy Thomson McKinnon Securities Inc., and a deal is expected to be announced by the end of the month, according to people with knowledge of the talks.

Executives at the Wall Street firms declined to confirm or deny Thursday that the discussions were under way, but Thomson McKinnon has been trying for months to find new capital.

Wall Street sources said that in recent months, Thomson McKinnon's financial statements had been reviewed by several potential bidders, including PaineWebber Inc. and Dean Witter Reynolds Inc. The sources declined to say how much Thomson McKinnon was seeking in a sale.

But the firms were said to have been uninterested in buying Thomson McKinnon, because the asking price was said to be too high and because the firms believed that Thomson McKinnon's best brokers had left because of months of rumors about an impending sale.

The effort to sell Thomson McKinnon comes after the firm failed to find an investor for a 23 percent stake held by Hartford Insurance Co. Hartford has owned part of the New York-based brokerage, among the 20 largest in the United States, since 1983.

In October, Thomson McKinnon, a unit of the privately held Thomson McKinnon Inc., told employees that it was seeking a buyer for the insurer's stake.

The firm has since approached several Asian companies, but interest in the stake was small because it would not give an investor control of the company.

Executives with other Wall Street firms said they believed that if the firm reaches a deal, Prudential would also buy the shares of Thomson McKinnon Asset Management LP, an investment advisory subsidiary that is publicly traded. The unit has more than $6 billion in assets and a current market capitalization of more than $45 million.

ADVERTISEMENT

INTERNATIONAL FUNDS June 9, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

AL-MAL GROUP		
(w) Al-Mal Trust, S.A	$	293.97
(r) Managed Currency	$	1094.13
(w) Equity	$	952.60
(w) Bond	$	961.82
ALPHA ASSET MANAGEMENT LTD.		
(m) Alpha Global Fund	$	605.39
(w) Nicholas-Applegate Aurelia.	$	129.60
BANK JULIUS BAER & CO. Ltd.		
(d) Baerbond	SF	951.00
(d) Conbar	SF	1829.00
(d) Equibaer America	$	1658.00
(d) Equibaer Europe	SF	1561.00*
(d) Equibaer Pacific	SF	1672.00*
(d) Stockbar	SF	2211.00*
(d) SFR-BAER	SF	975.00*
(d) Swissbar	SF	2423.00*
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,278.25
(r) Multicurrency Ecu	ECU	1,148.76
(r) Multicurrency Yen	Y	245,556.00
(r) Multicurrency FFR	FF	11,358.24
BNP INTERFUNDS		
(w) Interbond Fund	$	183.15
(w) Intercurrency US$	$	10.66
(w) Intercurrency DM	DM	30.27
(w) Intercurrency Sterling	£	10.43
(w) Intercurrency Managed	$	10.47
(w) Interequity French Offer	$	13.81
(w) Interequity Pacific Offer	$	18.36
(w) Interequity N. Amer. Offer	$	12.40
(w) Interequity European Class	$	8.88
(w) Interequity Australia Cls.	$	9.48
(w) Interlux Capital Belgian	LF	56,894.00
(w) Interlux Cap.Fr Securite	FF	11,312.43
(w) Interlux Capital FFr	FF	13,218.98
(w) Interlux Cap.France Cap.	FF	10,992.39
(w) Interlux Cap. LUF/BEF	LF	1,68,225.00
(w) Interlux Capital ECU	ECU	1,257.32
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernesey 0481 26614		
(w) Int'l Equity Fund (Sicav)	$	11.09
(w) Int'l Bond Fund (Sicav)	$	9.76
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	28.21
(w) Asian Income Fund	$	9.09*
(w) Diverbond	SF	84.95
(w) FIF-Internat. Div.A	$	17.63
(w) FIF-Internat. Div.B	$	18.34
(w) FIF Internat.America	$	15.71
(w) FIF Internat.Pacific	$	440.90
(w) FIF Internat.Europe	$	26.27
(w) FIF Internat.Japan	Y	1,204.00
(w) FIF Int. Nat. Res. A	$	10.85
(w) FIF Int. Nat. Res. B	$	10.85
(w) France International	FF	101.21
(w) France Blue chips No 1	FF	116,770.80
(w) Indosuez Multibonds Div.A	$	131.69
(w) Indosuez Multibonds Div.B	$	276.71
(w) Indosuez Multibonds US$	$	108.41
(w) Indosuez Multibonds YEN	Y	9,909.00
(w) Indosuez Multibonds DM	$	103.08
(w) IPNA-3	$	1120.00
(w) Malacca Fund	$	10.66
(w) The Siam Fund	$	16.23
(w) Pacific Gold Fund	$	12.18
BANQUE PRIVEE E. DE ROTHSCHILD		
(w) Daiwa Lcf Equity	$	1010.10
(w) Daiwa Lcf Int. Bond	$	1086.25
(w) Ecu D'Or	ECU	97.45
(w) Hispano Int'l Fund	ECU	10.05
(b) Pri-Tech	$	1148.07
(b) Source Sicav	$	10.93
BANQUE E. DE ROTHSCHILD LUX. SA		
(b) Cursitor BP Fixed Inc.Fund.	DM	125.87
(b) Cursitor BP General Fund	DM	150.03
(b) Eagle Fund	LF	10518.00
(d) Europe Japan Fund	$	10.00
(b) Governm. Sec. Fund*	$	74.43
(w) Lelcom	$	2497.14
(b) Opportunities Fund	$	806.04
(b) Prifirst	$	502.20
(b) Priroo fund	DM	48.80
(w) Rente Plus	BF	58988.00
(r) Select. Horizon Dev.	FF	52681.86
(r) Select. Horizon FF	FF	55956.61
(b) Star Conv.Fund FL	FL	9769.00
(b) Star Conv.Fund USD	$	97.88
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) BSS Bond Fund	SF	80.04*
(w) BSS Intelsec.	SF	1805.14
(w) BSS Int'l Bond	$	1.18*
(w) BSS Int'l Equity	$	2.065*
B.F.A.C.M.		
(w) Ecu Multiplacement	ECU	1153.10
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	12.25
(d) Non-$ Money Market	DM	29.96
(w) $ Bond	$	12.71
(w) Non-$ Bond	DM	30.97
(w) Global Equity	$	15.88
(w) Global Bond	$	12.78
(w) Global Bond & Equity	$	13.57
(w) Prec. Mets/Min. Secs	$	6.16
B.W MANAGED ASSETS CY, SICAV		
(t) Global Bond Fund	ECU	10.90
(t) European Securities Fund	ECU	12.56
(t) French Securities Fund	FF	122.45
(t) North American Secu.Fund	$	10.50
(t) Pacific Basin Secu. Fund	$	9.30
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux-Obl.FSES	FF	5,601.75
(d) Fructilux-Obl.Euro	ECU	1,042.23
(w) Fructilux-Act.Fses	FF	7,213.04
(w) Fructilux-Act.Euro	ECU	1,195.74
(d) Fructilux-Tresorier	FF	5,610.70
CALLANDER		
(w) Callander Emer. Gr.	$	113.56
(w) Callander Fund-Asset	$	106.30
(w) Callander Fund-Span.	Ptas	10,508
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	87.54*
(w) Capital Italia SA	$	32.85
CDC INTERNATIONAL		
(w) CFI Court Terme	FF	114496.83
(w) CFI Long Terme	FF	1126276.08
CIC GROUP		
(d) Obicic Monetaire	FF	11181.44
(d) Obicic Court Terme	FF	11526.44
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicur USD Portofolios	$	1274.07
(d) Citinvest Ecu Income	ECU	1292.23
(d) Citinvest Manag. Growth	$	1147.99
(d) Citi.Mana.Growth Euro	ECU	1032.78
(d) Citinvest Profit Sharing	$	5
(d) Citinvest Selector	$	870.86
(d) Citinvest Guardian $	$	1039.11
(d) Citinvest Guard. Euro	ECU	1060.12
(d) Citiport N.A Equity	$	136.49
(d) Citiport Jap. Equity	Yen	10905.00
(d) Citiport UK Equity	£	115.50
(d) Citiport S.Asian Eq.	$	5
(d) Citiport Cont.Euro. Eq.	ECU	127.14
(d) Citiport N.A.$ Bond	$	108.60
(d) Citiport Euro Bond	ECU	101.45
(d) Citiport AS.Pac.Bd.	YEN	10497.00
CITITRUST		
(w) US. $ Equities	$	212.48685
(w) US. $ Bonds	$	11.81633
(w) US. $ Money Market	$	12.22863
(w) Global Equities.	$	9.45000
(w) Global Money Market.	$	11.22000
(w) Global Bonds.	$	11.13000
CCF - GAMMA		
(w) CM Inv.Ser.Fds-Actibonds	$	35.32
(w) CM Inv.Ser.Fds-Glbl.Grth	$	10.87
(w) CM North Amer Grth	$	9.09
(w) Elysees Court Terme	FF	57,563.65
(w) Elysees Long Terme	FF	54,026.95
(w) Elysees Monetaire	FF	58,489.01
(w) Elysees Multibonds Funds	£	106.74
(w) EMF D-Mark (A&B)	DM	1,006.34
(w) EMF Ecu (A & B)	ECU	1,018.24
(w) EMF US Dollar (A & B)	$	1,063.69
(w) EMF Yen (A & B)	YEN	100,246.00
(d) Europe Prestige Fund A	ECU	10.39
(d) Europe Prestige Fund B	ECU	10.91
(w) European Smlr Cos. Fd.A	ecu	13.15
(w) European Smlr Comp.Fd.B	ecu	13.15
CODEVALOR SICAV		
(w) C.Rendement Fr.Suisse	SF	1876.71
(w) C.Rendement US$	$	1401.86
(w) C.Croissance Dollar	$	1473.84
(w) C.Croissance Zone Sterling	£	954.56
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond: Dollar Medium Term	$	10.92
(w) Bond: Ecu Multicurrency.	ECU	10.27
(w) Equity: United Kingdom	£	11.32
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	80.75
(d) Bond Valor Swf	SF	102.56
(d) Bond Valor US-DOLLAR	$	121.87
(d) Bond Valor D-mark	DM	110.99
(d) Bond Valor Yen	Y	10,949.00
(d) Bond Valor £ Sterling	£	99.41
(d) Convert Valor Swf	SF	154.80
(d) Convert Valor US-DOLLR	$	169.71
(d) CSF International	SF	138.75
(d) Actions Suisses	SF	567.25
(d) Europa-Valor	SF	217.50
(d) Energie-Valor	SF	163.25
(d) Canasec	SF	673.00
(d) Ussec	SF	805.00
(d) Pacific-Valor	SF	237.75
(d) CS Gold Valor	$	147.13
(d) CS Ecu Bond A	ECU	101.26
(d) CS Ecu Bond B	ECU	116.01
(d) CS Europa Bond 'A'	DM	247.45
(d) CS Europa Bond 'B'	DM	247.45
(d) CS Gulden Bond A	FL	98.79
(d) CS Gulden Bond B	FL	109.87
(d) CS Prime Bond 'A'	DM	97.08
(d) CS Prime Bond 'B'	DM	102.59
(d) CS Short-T. Bd DM A	DM	99.49
(d) CS Short-T. Bd DM B	DM	109.85
(d) CS Short-T. Bd $ A	$	99.75
(d) CS Short-T. Bd $ B	$	112.85
(d) CS Money Market Fund	$	1394.12
(d) CS Money Market Fund	DM	1215.17
(d) CS Money Market Fund	£	1457.32
(d) CS Money Market Fd Yen	Y	114,689.00
DIT INVESTMENT FFM		
+(d) Concentra	DM	39.85
+(d) Int'l Rentenfond	DM	77.80
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
(w) Finsbury Group Ltd	$	162.76
(w) Winchester Capital	$	105.80
(w) Winchester Holdings	FF	141.15
(w) Winchester Holdings	$	14.72
(w) Winc.Holdings Ltd.E.B.S	ECU	1146.42
(w) Winc.Reserves.E.B.S	ECU	1099.60
(w) Winc.Reserv.MultiCvBd.	ECU	11.34
(w) Worldwide Securities	$	32.69
(w) Worldwide Special	$	757.14
(m) Winch Fut.Diversified	$	18.38
(m) Winch Fut.Orion Series	$	21.61
(m) Winchester Frontier	$	176.22
(m) Winchester Recovery Ltd	$	91.50
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.,St. Helier:0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d) Inc.: Bid. $ 13.37 Offer	$	13.791
@(d) Cap.: Bid. $ 19.08 Offer	$	19.662
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	1.1185
(d) Short Term 'A' (Distr)	$	0.7267
(d) Short Term 'B' (Accum)	$	1.3568
(d) Short Term 'B' (Distr)	$	0.9670
(w) Long Term	$	29.5285
ELDERS SECURITIES INC.		
W. Rafter. (212) 573-0440		
(d) EFF	$	328.87
(d) ESP	$	143.87
(d) EMR	$	99.97
ELDERS SWITZ.(038) 24 79 79		
(w) Elders Inl Bld SF 104.50 Offer	SF	110.75
(w) Elders Aus Bld AS 89.00 Offer	AS	94.25
EQUIFLEX LIMITED		
(w) Europe A	FL	11.10
(w) Global A	FL	12.23
(w) North America A	FL	10.89
(w) UK Equities	£	10.32
(w) UK Small Co.	£	10.55
EURO PACIFIC ADVISERS Ltd.		
(w) Comete	$	761.92
(w) Meteore	Y	120,633.00
(w) Pacific Horizon Invt. Fd	$	1658.21
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pounty Hill, EC4. 01-623-4680		
(w) F&C Atlantic	$	20.60
(w) F&C European	$	35.56
(w) F&C Oriental	$	80.33
(w) F&C N. American M C Fd	$	9.59
(w) F&C Nordic Fund	$	11.65
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d) New Europe Fund	$	9.57
(d) Fidelity Conv. Sec. Portf.	$	9.46
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid. Amer. Vol.II Com.	$	111.15
(m) Fid. Amr.Vol.II Cum.Pref.	$	101.75
(m) Fid. Amer. Vol.III Com.	$	58.22
(m) Fid. Amr.Vol.III Cum Pref.	$	101.90
(d) Fidelity Amer. Assets	$	128.11*
(d) Fidelity Australia Fund	$	15.23
(d) Fidelity Dir. Svgs.Tr.	$	161.89
(d) Fidelity Pacific Fund	$	297.66
FIDELITY INT'L SERVICE (LUX.)		
(d) Balanced Portfolio-hedged	$	10.93
(d) Balanced Portfolio-unhedg	$	11.29
(d) Fidelity Discovery Fund	$	17.31
(d) Fidelity Far East Fund	$	60.42
(d) Fidelity Frontier Fund	$	21.96*
(d) Fidelity Global Ind. Fd	$	12.39
(d) Fidelity Global Selct Fd	$	11.74
(d) Fidelity Int'l. Fund	$	13.24
(d) Fidelity Orient Fund	$	88.55
(d) Fidelity Spcl. Growth Fd.	$	32.14*
(d) Fidelity World Fund	$	68.14
FIDELITY INT'L (CI) LTD.		
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	1.01*
(d) European Portfolio	$	1.45*
(d) Japan Portfolio	$	1.32*
(d) South East Asian Portfolio	$	0.87*
(d) U.K. Portfolio	$	1.07*
(d) Intl. Bond Portfolio	$	0.94*
(d) Sterling Liquidity Pftl.	£	18.03*
(d) Dollar Liquidity Portfolio	$	10.02*
Finafutures (BVI) Ltd		
(d) Portofolio Fund-series 1.	$	1.0665
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.54
FORBES PO B887 GRAND CAYMAN		
London Agent 01-839-3013		
(w) Forbes High Inc. Gilt Fd	£	46.90
(w) Gold Income	$	4.13
(w) Gold Appreciation	$	3.89
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia Hedge I	$	89.53
(w) Gaia Hedge II	$	131.12
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel.41-1-2516640		
(w) GAM (CH) America	SF	1236.00
(w) GAM (CH) Mondial	SF	1315.00
(w) GAM (CH) Pacific	SF	1302.00
GARTMORE FUND MANAGERS INT.		
45 La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) Sterling Deposit	£	1.003
(d) US$ Deposit	$	1.023
(d) DM Deposit	DM	5.068
(d) Yen Deposit	Y	504.26
(c) Sw. Fr. Deposit	SF	5.070
(d) Austr.Dollar Dep. fd	AS	1.049
(d) French Franc Deposit fd	FF	10.19
(d) N. American	$	1.59
(d) Japan	Y	661.00
(d) Pacific Basin	Y	309.00
(d) International growth	$	2.74
(d) British	£	2.12
(d) Sterling Gilt	£	1.04
(d) International Bond	$	1.16
(d) Yen Convertible bond	Y	2952.00
(d) European Fund	DM	5.42
(d) E.C.U. Fund	ECU	0.97
(d) Australasian fund	$	0.32
(d) Canadian fund	Can$	0.90
(d) Emerging Markets Fund	$	1.19
(d) Global Resources Fund	$	0.75
GEFINOR FUNDS		
London:01-4994171, Geneva:41-22355530		
(w) East Investment Fund	$	959.64
(w) Scottish World Fund	£	202.9024
(w) State St. American	$	290.49
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	LF	25.77*
(d) Capital Rentinvest	$	111.50
(d) Rentinbel Distr.	LF	9,979.00*
(d) Rentinbel Cap.	LF	10,496.00
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St.Douglas,I. of Man.44-624-26037		
(w) Futurgam S.A.	$	186.85
(w) GAM Arbitrage Inc	$	228.65
(w) GAMerica Inc.	$	236.13
(w) GAM Australia Inc.	$	135.76
(w) GAM Asean Inc.	$	130.65*
(w) GAM Boston Inc	$	166.43
(w) GAM Ermitage	$	26.79
(w) GAM European Inc.	$	104.30
(w) GAM Franc-Val Inc.	SF	242.58
(w) GAM France Inc	FF	1379.65
(w) GAM Global Fund	$	110.70
(w) GAM High Yield Inc.	$	109.10
(w) GAM Hong Kong Inc.	$	188.48*
(w) GAM International Inc.	$	141.74
(w) GAM Japan Inc.	$	380.00
(w) GAM Money Mkts. Fund	$	104.41*
(w) GAM Money Mkts. Fund	£	105.71*
(w) GAM Money Mkts. Fund	SF	102.30
(w) GAM Money Mkts. Fund	DM	103.24*
(w) GAM Money Mkts. Fund	Y	10,153.00*
(w) GAM Pacific Basin Fund	$	112.39
(w) GAM Pacific Inc.	$	429.48
(w) GAM Restr. Fd. Inc.	$	162.75*
(w) GAM Singapore/Malay Inc	$	171.79
(w) GAM Swiss Fr Spec Bond Fd	SF	101.06
(w) GAM Value Inc.	$	105.00
(w) GAM Worldwide Inc	$	414.10
(w) GAM Tyche S.A. Class A	$	178.92
(w) GAM U.S. Inc.	$	144.96
(w) GAM Whitehorn Fund Inc.	$	129.78
(w) GAM ut Inc.	$	249.51
(w) GSAM Composite Inc.	$	209.13*
(w) GSAM Int. Inc.U.S Ord.	$	113.97*
(w) GSAM Int. Inc.U.S Spe.	$	122.32*
(w) GSAM Interest Inc.	SF	99.76*
(w) GSAM Interest Inc.	£	102.15*
(w) GSAM Interest Inc.	DM	95.01
(w) GSAM Interest Inc.	Y	11,977.00*
G.T. MANAGEMENT PLC		
(r) G.T. Applied Science	$	14.83
(d) G.T. ASEAN Fund	$	39.08
(d) G.T. Asia Fund	$	12.05*
(d) G.T. Australia Fund	$	27.45*
(d) G.T. Berry Japan Fund	$	32.59*
(d) G.T. Biotechn./Health Fund	$	8.96
(w) G.T. Bond Fund	$	15.95*
(d) G.T. Britain Fund	$	8.14
(d) G.T. Deutschland Fund	$	10.40
(d) G.T. Dollar Fund	$	20.21*
(d) G.T. Europe Fund	$	28.48
(w) G.T. Euro. Small Cos. Fund	$	28.80
(d) G.T.Global Small Cos.Fund	$	12.11
(d) G.T.Global Technology Fd.	$	17.98*
(d) G.T. Hong Kong Fund	$	19.70*
(d) G.T. Honshu Pathfinder	$	9.48
(d) G.T. Investment Fund	$	10.46
(w) G.T. Japan Smt Co.Fd	$	10.39*
(w) G.T. Nat Res. Fd Gold Class	$	6.24
(d) G.T. Newly Ind. Countr. Fd	$	27.37
(d) G.T. Select Dollar Bd Pft	$	9.31
(d) G.T. Select Int Bd Pft.	£	9.89*
(d) G.T. Select Gilt Pft.	£	8.62*
(r) G.T. Technology Fund	$	32.98
(d) G.T. U.K. Small Companies	$	10.16
(d) G.T. Univ.Growth Fund	$	10.07
(w) G.T. U.S. Small Companies	$	12.48
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	17.59
(d) CSF (Balanced)	SF	37.83
(d) European Equity Fund	DM	17.24
(d) Intnl. Bond Fund	$	12.99
(d) Int. Currency U.S.Manag'd	$	25.26
(d) ITF Fd (Technology)	$	20.09
(d) O'Seas Fd (N. AMERICA)	$	48.20
(d) Int. Currency U.S.	$	32.31
IAM, 2 Bd. Royal LUXEMBOURG		
(d) Iam Flagship Fund	ECU	87.90
(w) Iam Bonds Fund-France	FF	548.70
(w) Iam Bonds Fund-Deutschl	DM	211.89
(w) Iam Bonds Fund-Japan	Y	10,969.00
(w) Iam Bonds Fund-Switz.	FS	206.26
(w) Iam Bonds Fund-U.S.A	$	108.48
(w) Iam Bonds Fund-Europe	ECU	111.59
(w) Iam Bonds Fund-Netherl.	FL	212.19
(w) Iam Europe global	ECU	99.37
(w) Iam Europe luxe	ECU	99.03
(w) Iam Europe 90/10	ECU	99.39
(w) Iam Europe 1992	ECU	99.31
(w) Iam Europe du Sud	ECU	99.31
INTERSELEX GROUP		
(d) Int.America Fund	$	16.06
(d) Int.Belgo Fund	LF	3203.00
(d) Int.Europa Sicav	LF	6281.00
(d) Int.Pacific Fund	$	1230.14*
(d) Int.World Fund	$	93.18*
ISLAMIC MGMT FUND LTD	$	995.17
CSFB Fund Mgmt Ltd (0481-713996)		
PB122 St. Peter Port,Guernsey		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	15,546.00
(d) J.F Pacific Sec. Trust	$	25.74
(d) J.F Pacific Income Trust	$	80.86
(d) J.F Hong Kong Trust	$	50.84
(d) J.F European	$	9.67
(d) J.F International	$	13.11
(d) J.F Glb Convertibles Trust	$	10.67
LLOYDS BANK PLC, POB 438, Geneva 11		
Mrs. C. Berteletti (22) 208611/ext. 2222		
+(w) Lloyds Int'l Dollar	$	111.00
+(w) Lloyds Int'l Europe	SF	177.80
+(w) Lloyds Int'l Growth	SF	227.50
+(w) Lloyds Int'l Income	SF	282.00
+(w) Lloyds Int'l N. America	$	151.50*
+(w) Lloyds Int'l Pacific	SF	238.90
+(w) Lloyds Int'l. Smaller Cos	$	17.75
MAN INTERNATIONAL FUTURES		
(m) Mint Limited - Ordinary	$	41.25
(m) Mint Limited - Income	$	15.31
(m) Mint Gtd Ltd - Spec Issue	$	21.67
(m) Mint Gtd Ltd - Series A	$	20.01
(m) Mint Gtd Ltd - Nov 1993	$	19.20
(m) Mint Gtd Ltd - Jan 1994	$	15.40
(m) Mint Gtd Ltd - Dec 1994	$	13.43
(m) Mint Gtd Ltd - Aug 1995	$	10.90
(m) Fbme Mint Gtd Plc	$	118.97
(m) Mint So Res Ltd (BNP)	$	106.75
(m) Newcastle Guaranteed Ltd	$	11.29
MAGNUM FUTURES FUND LTD.		
(m) Sterling Class	£	4.91
(m) U.S Dollar Class	$	9.79
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) First Convertible Sec. Fd	$	11.59
(d) Global equity Portfolio	$	9.78
(d) Iberia portfolio	$	10.40
(d) Multi-Curr. Bond Portfolio	$	12.90
(d) U.S.A Income Portfolio	$	9.24
(d) US Federal Securities	$	9.75
(d) World Nat Res Pft. Share A	$	10.25
(d) World Nat Res Pft. Share B	$	10.21
GLOBAL CURRENCY PORTFOLIOS		
(d) Australian Dollar Pfl.	$	10.29
(d) Deutschmark Portfolio	DM	10.08
(d) Pound Sterling Portfolion	£	10.14
(d) US Dollar Portfolion	$	10.42
(d) Yen Portfolio	Y	1005.00
MIM BRITANNIA, POB 271, St. Helier, Jersey		
(d) Int.High Income	$	2.495
(d) Dollar Man.Curr	$	14.48
(d) Dollar Man. Port	$	2.074*
(d) Sterling Man.Port	£	1.888*
(d) Pioneer Markets	£	2.785*
(d) U.K. Growth	£	1.067
(d) Amer. Inc. & Growth	$	1.401
(d) Gold & Prec. Metals	$	0.944
(d) Sterling Man. Curr.	£	17.62
(d) Japan Dollar Perf. Fd	$	4.164
(d) Jersey Gilt	£	0.1835*
(d) Okasan Global Strat	$	16.33
(d) Asia Super Growth Fund	$	11.45
NIMARBEN		
(w) Class A	$	142.12
NMB BANK, PO 1800, 1000 BV Amsterdam.		
(w) The Brazil Fund	$	3.41
(w) NMB Dutch Fund	FL	36.90
OBLIFLEX LIMITED		
(w) Multicurrency	$	20.14
(w) Dollar Medium Term	$	14.14
(w) Dollar Long Term	$	15.45
(w) Japanese Yen	Y	25.07
(w) Pound Sterling	£	14.94
(w) Deutsche Mark	DM	12.77
(w) Dutch Florin	FL	12.81
(w) Dutch Florin Multi.	FL	10.50
(w) Swiss Franc	SF	10.86
(w) Swiss Multicurrency	SF	12.52
(w) European Currency	ECU	13.87
(w) Convertibles	$	10.67
(w) Swiss Multi-dividend	SF	10.61
NOMURA INVEST BANKING (M.E) E.C.		
(d) Nomura Gulf Fund	$	9.85
PARIBAS-GROUP		
(w) Belux Fund	LF	10,822.00
(d) Cortexa International	$	130.63
(d) Ecupar	ECU	1,353.52
(d) Far East Growth Fund	$	141.19
(d) Luxor	$	68.30
(d) Moneyflow	$	10,071.00
(d) Pareurope Growth	$	19.50
(d) Parinter Fund	$	216.19
(d) Par US Treas. Bond 'Cl. B'	$	147.73
(d) Europhenix	FF	1,331.59
(d) Parinter Bond Fund	$	12.90
(d) Paribas-Rente 'A'	LF	1,301.00
(d) Paribas-Rente 'B'	LF	1,492.00
(w) Obli-Franc	FF	1,195.29
(w) Obli-DM 'A'	DM	1,149.41
(w) Obli-DM 'B'	DM	1,260.25
(w) Obligestion	SF	90.00
(w) Obli-Dollar 'A'	$	1,192.75
(w) Obli-Dollar 'B'	$	1,270.38
(w) Obli-Yen 'A'	Y	108,390.00
(w) Obli-Yen 'B'	Y	114,425.00
(w) Obli-Gulden 'A'	FL	1,046.05
(w) Obli-Gulden 'B'	FL	1,105.93
(w) Parsuisse	SF	1,184.85
(w) Parlapar	$	3,484.00
PERMAL GROUP		
(m) Drakkar Growth	$	2021.97
(m) Noscal Ltd	$	1226.31
(m) Select Equities Ltd	$	938.80
(m) Special Opportunities Ltd	$	1639.43
(m) Usdvise Ltd	$	263.65
(m) Value N.V.	$	2060.55
PIERSON, HELDRING & PIERSON N.V.		
POB 243, 1000 AE Amsterdam (20-211188)		
(w) Asia Pac. Growth Fd N.V.	$	36.53
(w) DP Amer. Growth Fd N.V.	$	25.35
(w) DP Energy Resources	$	37.52
(w) Europe Growth Fund N.V.	FL	25.50
(w) Japan Diversified Fund	$	53.89
(w) Leveraged Cap Hold	$	225.10
(w) Tokyo Pac. Hold. N.V.	$	254.83
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	15.74
(d) Putnam Em. Info. Sc. Tr	$	13.28
(d) Putnam Int'l Fund	$	10.40
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	106.20
(d) Rolinco	FL	104.10
(d) Rorento	FL	61.60
(d) Rodamco	FL	165.20
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	185.95
ROYAL B. CANADA,POB 246,GUERNSEY		
+(w) RBC British Fund Ltd.	£	5.78*
+(w) RBC Canadian Fund Ltd.	C$	14.64*
+(w) RBC European Fund	$	11.46
+(w) RBC Far East&Pacific Fd.	$	38.06
+(w) RBC Int'l Capital Fd	$	58.92
+(w) RBC Int'l Bond Fund Ltd.	$	11.83
+(d) RBC Mon.Currency Fd	$	38.34
+(w) RBC North Amer. Fd	$	15.20
ROYAL TRUST ASSETMIX FUND		
Lux.Tel: (352) 489061		
EQUITY FUNDS		
(d) Alpha UK	£	1.15
(d) Alpha US$	$	1.26
(d) Alpha Worldwide	SF	5.56
(d) Alpha Japanese	Y	1034.00
(d) Alpha Pacific Rim	$	1.00
(d) Alpha European	ECU	1.09
(d) Gold Share	$	0.95
BOND FUNDS		
(d) Sterling Pound	£	100.20
(d) US$ Bond	US$	107.68
(d) Deutschmark Bond	DM	50.43
(d) Alpha Worldwide	SF	55.45
RESERVE FUNDS		
(d) Sterling Reserve	£	10.429
(d) US$ Reserve	$	10.384
(d) Deutschmark Reserve	DM	10.305
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	10.875
(d) Offshore Multiple Opps.	$	10.49
OFFSHORE PORTFOLIOS (OP)		
(d) OP Global balanced	$	10.44
(d) OP Precious Metals	$	8.46
(d) OP Global Bond	$	9.85
(d) OP US Share	$	11.38
(d) OP Global Equity	$	11.23
(d) OP Pacific Equity	$	10.20
(d) OP Euro Equity	$	11.63
(d) OP US Govt Securities	$	10.41
(d) OP Global Money Market	$	9.64
(d) OP US Money Market	$	10.00
INTERNATIONAL PORTOFOLIOS (IP)		
(d) IP Global Balanced	$	11.01
(d) IP Precious Metals	$	8.96
(d) IP Global Bond	$	10.26
(d) IP US Share	$	11.86
(d) IP Global Equity	$	11.51
(d) IP Pacific Equity	$	10.56
(d) IP Euro Equity	$	11.71
(d) IP US Govt-securities	$	11.01
OFFSHORE SHORT-TERM INVEST. (OSI)		
(d) OSI Deutsche Mark	$	8.45
(d) OSI Japanese Yen	$	8.52
(d) OSI Pound Sterling	$	8.53
(d) OSI US Dollar	$	1.00
(d) OSI Managed Currency	$	10.34
(d) OSI Canadian Dollar	$	10.36
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w) Equity Intl Acc	$	10.48
(w) Equity Intl Inc	$	9.80
(w) Equity Global	$	0.96
(w) Equity Far East	$	1.61
(w) Equity Gold	$	0.83
(w) Equity Japan	Y	119.80
(d) Equity Nordic	$	1.07
(d) Equity U.K.	£	1.07
(d) Equity Continental Europe	$	1.00
(d) Equity Mediterranean	$	1.01
(d) Equity North America	$	1.08
(w) Bond Intl Acc	$	7.42
(w) Bond Intl Inc	$	6.20
(w) High Income Acc	$	0.97
(w) High Income Inc	$	0.90
(d) DEM	DM	0.98
(w) Multicurrency	$	1.0238
(d) FRF	FF	1.02
SOCIETE GENERALE GROUP		
(w) Sogelux Fund		
(w) Sogelux Bonds A	$	11.37
(w) Sogelux Bonds B	DM	21.49
(w) Sogelux Bonds C	FF	85.16
(w) Sogelux Bonds D	SF	20.00
(w) Sogelux Bonds E	£	7.90
(w) Sogelux Bonds F	Y	1632.00
(w) Sogelux Bonds G	ECU	11.36
(w) Sogelux Bonds H	$	11.12
(w) Sogelux Bonds J	BF	543.00
(w) Sogelux Equities K	$	11.33
(w) Sogelux Equities L	ECU	11.35
(w) Sogelux Equities M	YEN	1567.00
(w) Sogelux Equities P	$	9.92
(w) Sogelux Equities Q	$	9.41
(w) Sogelux Equities R	$	11.05
(w) Sogelux Short Term S	FF	109.66
(w) Sogelux Short Term T	ECU	10.74
SODITIC ASSET MANAGEMENT INC.		
(w) SAM Diversified Inc.	$	101.78
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse, L-2330 Luxembourg		
(b) SHB Bond Fund	$	42.36
(w) Svenska Select.Fd Intl Sh.	$	48.80
(w) Svenska Select.Fd America Sh	$	11.09
(w) Svenska Select.Fd Asia Shares	$	6.86
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	497.00*
(d) AngloValor	£	184.84*
(d) Asia Portfolio	SF	554.96
(d) Convert Bond Selection	SF	98.95
(d) Dollar Bond Selection	$	134.30*
(d) D-Mark Bond Selection	DM	115.99*
(d) Ecu Bond Selection	ECU	100.94*
(d) Florin Bond Selection	FL	118.18*
(d) FranceValor	FF	1746.83*
(d) GermaniaValor	DM	475.87*
(d) Gold Portfolio	SF	522.10
(d) ItalValor	LIT	470,565.00*
(d) Japan Portfolio	SF	400.25*
(d) SBC US$ MMF	$	5611.07
(d) SBC 100 Index Fund	SF	1119.00
(d) Sterling Bond Selection	£	104.21*
(d) Swiss Foreign Bond Selec	SF	105.81*
(d) Swissvalor	SF	386.00*
(d) Universal Bond Select.	SF	80.50*
(d) UniversalFund	SF	129.64*
(d) Yen Bond Selection	Y	11,790.00
THORNTON MANAGEMENT LTD.		
(d) Thornton Int opps.fund	$	1.94
(d) Pacific Invt. Fd. S.A.	$	9.71
(d) Pac.Invt. Warrants Fd.S.A.	£	4.71
(d) Thornton Kangaroo Fd Ltd.	$	10.34
(d) Thornton European Fund	$	5.99
(d) Thornton HK & China	$	9.14
(d) Thornton Japan Fund Ltd	$	24.87
(d) Thornton Orient.Inc. Fd Ltd	$	18.32
(w) Thornton Phil. Redev. Fd	$	38.12
(d) Thornton Tiger Fund Ltd	$	24.34
(d) Thor.Pacific Tech.Fd Ltd	$	12.71
(d) Thor.L.Itl. Dragons Fd Ltd	$	15.86
(d) Thor.Golden Opport.Fd	$	6.17
(d) Eastern Crusader Fund.	$	7.28
(w) The Global Access Fund.	$	9.49
T. Rowe Price Associates Inc.		
(m) T. Rowe Price Frontier Ltd.	$	10.51
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	44.03
(d) Eurobond	$	27.54
(d) Mortgage	C$	12.95
(d) Overseas	$	26.10
(d) Tiger	$	34.43
(d) High Yield Bond	£	69.00*
(d) Marunouchi	£	70.90
(d) Far Eastern	£	541.70
(d) Gilt	£	485.50
(d) Mgd Currency-Dollar	£	1.383
(d) Mgd Currency-Stlg	£	105.100
(d) 1992	£	253.500
(d) Wall Street	£	254.600
(d) Hi Inc Gilt & Bulldog	£	101.900
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	979.13
(d) M-FUND	SF	1079.42
(d) M-Distribution	SF	102.97
(d) UBZ Euro-Income Fund	SF	10.16
UNION BANK OF SWITZERLAND		
(d) Bond-Invest	SF	64.00*
(d) Brit-Invest Shares	SF	787.00
(d) D-Mark-Invest Bds	DM	218.60
(d) Dollar-Invest Bds	SF	114.60
(d) ESPAC Spanish sh	SF	218.00*
(d) Eurit	SF	322.00
(d) Fonsa Swiss Sh.	SF	133.00
(d) Francit Shares.	SF	215.50
(d) Germac Shares.	SF	205.00
(d) Globinvest Shares.	SF	115.00
(d) Gold Invest Shares.	SF	346.50
(d) Holland-Invest Sh.	SF	234.50
(d) Itac Shares	SF	208.50
(d) Japan-Invest Sh.	SF	1662.00
(d) Sima (stock price)	SF	225.00*
(d) Skandinavien-Invest	SF	269.00
(d) UBS Money Mkt Inv.	$	5232.92
(d) Yen-Invest Bonds	Y	1080.00
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	40.70
(d) Unifonds	DM	31.40
(d) Unirak	DM	77.50
(d) Unizins	DM	112.75
THE UNIVERSAL GROUP OF FUNDS		
(m) Canada Gtd-Mortgage Fd.	C$	12.41
(d) Univers Sav Amer	C$	10.24
(d) Univers Sav Equity	C$	12.49
(d) Univers Sav Global	C$	5.22
(d) Univers Sav Pacific	C$	8.39
(d) Univers Sav Nat. Res	C$	6.21
VHOYTEMA & CHAUSSEE Brussels 5118933		
(m) vH&C Managed Fut. Index	$	187
Other Funds		
(r) Abacus Guart.Fd.Mar.'94	$	10.5275
(w) Acticroissance	$	502.46
(w) Actifinance Intl	$	813.60
(w) Actigestion	FF	1105.18
(w) Activest Intl	$	22.14
(d) Amvabel	FL	96.40
(w) Aquila International Fund	$	242.93
(b) Ariane	$	3,356.75
(m) Atlantic Fund	$	105.26
(d) Atlas Fund	SF	122.12
(r) Australia Fund	$	14.25
(w) Bahamas Superfund	$	1061.00
(d) Blao Monod Bond Fund	$	180.39
(d) Berg Norden Sicav	$	139.18
(d) Berg Trust Sicav	$	116.98
(w) Bergen Int'l Fund	$	10.90
(w) Bevar Beleggingen++	$	25.30
(w) Bonar Currency & Int.	$	87.20
(w) Bondselex-Issue Pr.	SF	119.15
(w) J Capel guaranteed Fund	$	9.84
(w) Capital Man.Inv.Fund	$	1120.00
(d) Cash Gestion	FF	9410.58
(d) CB German Index Fund	DM	109.94
(m) Cleveland Offshore Fd.	$	25.97
(w) Columbia Securities	FL	111.94
(m) Commod. Gtd. Fund/USA	$	18.30
(d) Conqueror Fund Ltd	$	96.73
(w) Convert. Fd. Int'l A Certs	$	17.77
(w) Convert. Fd. Int'l B Certs	$	57.92
(w) Cumber Intl N.V.	$	1231.75
(w) Daiwa Japan Fund	Y	9336.00
(w) D.G.C.	$	174.51
(w) DIVERSIF. BOND FUND	$	95.09
(d) D-mark-Baer Bond Fd.	DM	1037.00*
(d) Dollar-Baer Bond Fd	$	1125.00*
(d) D. Witter Wld Wide Ivt Tst.	$	22.34
(w) Dreyfus America Fund	$	16.36
(d) Dreyfus Fund Int'l.	$	61.08
(w) Dreyfus Intercontinent	$	62.32
(w) Esprit Sicav	ECU	1131.57*
(w) Espirito Sto Inv M Sth Eur Fd.	$	10.11
(d) Europe Obligations	ECU	74.31
(w) Fairfield Int'l Ltd.	$	129.15
(w) Fairfield Strat. Ltd.	$	53.45
(w) First Eagle Fund	$	34,804.41
(w) F.I.T. Fund ff	FF	107.77
(d) Fonditalia	$	68.68
(w) Fonselex Issue Pr.	SF	204.75
(d) Forexfund Limited	$	8.63
(w) Formula Selection Fd.	SF	73.72
(d) Frankl-Trust Effekten Fd	DM	151.28
(d) Frankl-Trust Interzins	DM	41.59
(w) Future Div.Fund	$	25,306.00
(w) George V INV. BOND F.	$	17.21
(m) German Sel. Associates	DM	1991.64
(d) Green Line France	FF	678.61
(w) Haussmann Hldgs. N.V.	$	266.53
(w) Health 2000 Ltd	$	10.19
(w) Hestia Funds	$	150.61
(w) Horizon Fund	$	1840.30
(w) Ibex Holdings Ltd.	SF	179.08
(w) IFDC Japan Fund	YEN	47,238.00
(r) ILA-IGB	$	6.51
(r) ILA-IGS	$	9.91
(m) IncAmerica N.V.	$	14.42
(m) IncAsia N.V.	$	10.67
(w) Interecu Fund	ECU	1187.07
(w) Interface Fund Ltd.	$	145.77
(d) Interfund SA	$	35.07
(w) Intermarket Fund	$	360.88
(r) Int'l Securities Fund	$	23.47
(w) Intersec SA	$	3323.11
(d) Investa DWS	DM	65.78
(r) Invest Atlantiques	$	14.80
(w) Inpremel	$	10.04
(r) Italfortune Int'l Fund SA	$	38.96
(m) Japan Selection Asses.	Y	10,064.00
(w) Japan Selection Fund	$	195.61
(w) Japan Pacific Fund	$	307.41
(w) Kleinwort Bens. Jap. Fd.	$	239.22
(d) KML-II High Yield 06/06/89	$	992.19
(w) Korea Growth Trust	$	41.09*
(w) LACO International	$	7.26
(d) Liquibaer	$	1731.00
(m) London Portfolio G'td. I.	$	98.24
(m) London Portfolio G'td. II.	$	10.00
(w) Luxfund	$	99.46
(m) Lynx Sel.Holdings	SF	127.23
(w) ML Morgens Lv Hi Yld.Inv.NV	$	10.48
(d) Medicianum Sel. Fd.	$	34.17
(d) NCA FUND	$	10.53
(w) Nippon Fund	$	109.00
(m) NMT Asian Sel. Portfolio	$	176.12
(m) NMT Nastec Portfolio s/s	$	104.54
(d) NM Inc. & Growth Fund	$	15.36
(d) Nomura-Cap Int Eq Fd	$	13.39
(d) Nordmix	LIT	11028.00
(m) NSP F.I.T.	$	260.69
(m) Oppenheimer U.S.Arb.	$	129.13
(m) Overlook Perfor.	$	1147.65
(d) Pacific Nies Fund	$	9.49
(d) PAM Futures Trad.	$	969.24
(w) Pancurri Inc.	$	124.08
(w) Prosp. I.H.Inc.P.F.06/02/88	$	9.64
(w) Protected Perfor. Fund	$	0.71
(w) Quantum Fund N.V.	$	13292.50
(w) Rep.(Guernsey) Dol.Inc.fd	$	9.60*
(w) Samurai Portfolio	SF	334.20
(d) Sanyo Kle.Spain Fd	$	10.50
(d) Sarakreek Holding n.v.+++	$	27.70
(d) SCI/Tech. SA Luxembourg	$	18.39
(w) Spectrafund Ltd.	$	16.62
(w) SP International S.A.	$	4623.02
(d) Strat Int'l Gold Fund S.A.	$	6.66
(w) Sussex Silverman	$	1013.00
(w) Techno Growth Fund	SF	64.35
(d) Templeton Glob Inc.	$	10.22*
(w) The Petrus Fund Ltd.	$	1.053
(m) TIIC(O.T.C) Jap.fd Sicav	$	9.12
(w) Transpacific Fund	Y	35687.00
(w) Trans Europe Fund	FL	72.80
(w) Tudor B.VI Futures.LTD	$	3935.31
(d) Turquoise Fund	$	202.19
(w) Tweedy.Browne n.v.CLA	$	3577.11
(w) Tweedy.Browne n.v.CLB	$	1920.39
(m) Tweedy.Browne (U.K.) n.v.	$	1397.59
(d) Unico Inv.Fund	DM	76.23
(d) Unico Equity.Fund	DM	63.85
(d) Uni Bond Fund	ECU	1497.46
(r) Uni Capital Fund	$	1656.85
(d) Univers Bonds	DM	128.78
(w) Vanderbilt Assets	$	17.18
(d) Vesper Flux	FF	1,002.76
(d) Victoria Fund	$	22,000.00
(w) Willerbond Capital	$	13.78
(d) World Fund S.A.	$	22.13
(d) World Balanced Fund S.A.	$	11.19
(m) Zweig Int'l Ltd	$	88,464.00

AS - Australian Dollars; BF - Belgium Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; LII - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ++ Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

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End Is Seen to LVMH Fight

Reuter

PARIS — A battle for control of LVMH Moët Hennessy-Louis Vuitton SA, the French luxury goods group, appeared near an end on Friday after the head of the Vuitton luggage division hinted that he would step down soon, share analysts said.

Henry Racamier, 77, told LVMH shareholders that he was considering choosing his successor. Vuitton sources said he was likely to step down at the division's annual meeting, the date of which is still not clear.

Mr. Racamier is seeking to delay the annual meeting until a court rules on the validity of warrants forming part of the majority stake in LVMH controlled by his 40-year-old rival, Bernard Arnault, chairman of the group.

French courts have frozen about five percent of Arnault-controlled voting rights held through the Arnault firm Jacques Rober. The rights are critical to Mr. Arnault's position.

"We must be close to the end of the battle," said Josette Lahon, senior analyst with Puget Barclays de Zoete Wedd.

Sylvain Massot, a food analyst with the Phillips & Drew brokerage in London, said: "The current situation seems to suggest that Racamier is trying to negotiate an honorable exit."

RATING: *Moody's Sets Review*

(Continued from first finance page)

the close linkages between events in China and the prospects for economic and political stability in the British colony, which will revert to Chinese rule in 1997.

"Hong Kong is likely to remain a stronger credit risk than China," Moody's said, but it added that it would examine "how those factors adversely affecting the outlook for China might also influence Hong Kong's creditworthiness."

Moody's assigned an A-3 rating for long-term bond issues by Bank of China and China International Trust & Investment Corp. in August last year. China International is the Beijing government's main investment concern.

The rating is in the lower-middle level of Moody's assessment of sovereign risk, lower than that for long-term borrowings by the governments of India and South Korea but higher than its rating for the Malaysian government.

Also under review for downgrading are Moody's prime-1 ratings for deposits with and commercial paper issued by Hongkong & Shanghai, and short-term borrowings in foreign currencies by Mass Transit Railway.

Deposits with all banks in the colony, currently rated prime-1 for short-term deposits and A-2 for long-term deposits, are being reviewed, along with the A-2 rating for long-term debt denominated in local currency.

China is a relative newcomer to the international capital markets.

TAKEOVERS: *It's Crucial to Get to Stockholders First With the Most*

(Continued from first finance page)

have helped to encourage Paramount to launch its bid for Time.

The comfortable belief that the Federal Reserve Board would block a hostile bank takeover was destroyed when the Bank of New York managed to buy Irving Bank. And a series of advertising agency purchases demonstrated that even if the assets did "go home every night," they would come back the next morning whether or not there was a new owner.

Congress has periodically tinkered with the tax code to make takeovers more costly, but none of those steps have proved decisive, and billions of dollars remain available to those wanting to make takeovers.

"Today," wrote Metropolitan Life Insurance in a 1985 investment survey, "almost anyone is capable of taking over anyone else." That is even truer now.

In the media business, unfriendly takeovers once roused cries of freedom of the press, and those complaints could be effective. A generation ago, American Broadcasting Cos. fought off a takeover move by ITT, in part by maintaining that the international telecommunications giant might try to distort ABC's news coverage.

And a decade ago, McGraw-Hill Inc. emerged independent after a bruising battle with American Express Co., in which the independence of Business Week, McGraw-Hill's flagship publication, was a critical issue. It is unlikely that either defense would work today.

"The climate has changed," said Fred Friendly, a former president of CBS News and now a professor of journalism at Columbia University. "It is a world of conglomerates."

Indeed, ABC merged in a friendly way with Capital Cities, another media company. NBC came under the wing of an industrial conglomerate when its parent, RCA, was bought by General Electric Co. And CBS, resisting an implausible bid from Ted Turner, came under effective control of Loews Corp. No objections were raised to Loews's other interests, which include insurance and cigarettes.

Time management, of course, would be hard put to mount a defense based on the need for an independent press. Time itself over the years has ventured into a wide range of businesses, and Paramount's activities are generally similar to those of Warner, the partner Time prefers.

Now Paramount itself is thought to be a potential target of Time. This would represent a "Pac-Man" strategy, named after the video game, in which the hunted can suddenly turn on their pursuers. But all the permutations involve money, and a lot of it.

To those horrified by the trend in mergers, there is one positive sign on the horizon. To the astonishment of some lawyers, Delaware's Supreme Court upheld the defensive strategies used by Polaroid to fight off a bid by Roy E. Disney and a group of associates.

That strategy involved placing large voting blocks of securities in friendly hands. One stake went to a "white squire" that was given a high rate of return on its investment in return for the implicit assurance that it would support management. The other big block went to an employee stock ownership plan.

In response to that ruling, a flock of companies have moved to establish such stock plans. Just how effective they will be is unclear, and it may be too late for Time to take such a step.

REGION: *China Unrest Seen as Hurting Integration*

(Continued from first finance page)

days in Hong Kong, which is due to be handed back to China by Britain in 1997.

Agencies of the United States, Canada, Australia, Singapore and New Zealand in Hong Kong have been swamped with new inquiries from Chinese wanting to leave the territory, diplomats said. Nearly 46,000 migrants left Hong Kong in 1988 and the hemorrhage of talent and capital is expected to be even larger this year because of the upheaval in China, the diplomats added.

Taiwanese makers of toys, textiles and footwear are expected to scrap plans to invest in China, said a spokesman for the Chinese National Federation of Industries in Taipei.

"China is now a risky place and some of our members are unwilling to do business or invest there," he added.

George Baeder, director of the Pacific Rim Consulting Group in Hong Kong, warned that if there was a reversal of China's open-door economic policies or protracted uncertainty about the future of the country, it would hurt the rapidly expanding trade, investment and commercial ties between Hong Kong, Taiwan and the mainland.

There is now, he said, a strong risk that the gradual economic and political bridge-building between these three parts of what has come to be known as Greater China "will grind to a halt, removing a significant source of dynamism within the East Asian region."

Over the past 10 years, trade between China, Hong Kong and Taiwan increased 13-fold to $45 billion in 1988, economists said.

Mr. Baeder said that if China turned inward, it would leave a gap in East Asia's economy, although he noted that the "real drivers of growth in the region have been Japan, South Korea, Taiwan and, to a lesser extent, Hong Kong and Singapore."

Japan is the dominant economy in the Western Pacific, accounting for about 71 percent of the total value of goods and services produced by countries in the region. China is second with about 9 percent of the region's gross domestic product.

Mr. Baeder added that China had been "one of the growth opportunities replacing the decline in the U.S. market" for Taiwan and other nations in the region that had substantial trade surpluses with the United States.

Robin Tomlin, managing director of Singapore International Merchant Bankers Limited, said the turmoil in China would prompt foreign investors to look seriously at Indonesia, Vietnam and other countries in Southeast Asia with low wages and large domestic markets as alternative investment targets to China.

Hong Kong and Taiwan would also become less attractive for investment and the already large flow of Taiwanese capital into Indonesia, Malaysia, Thailand and the Philippines would intensify.

Some multinational corporations with regional headquarters in Hong Kong might also shift operations to Singapore or Thailand, Mr. Tomlin added.

Zainul Aznam, deputy director of the Malaysian Institute of Economic Research in Kuala Lumpur, Malaysia, said that recent events in China would make the more than 25 million ethnic Chinese in Hong Kong, Taiwan and countries of Southeast Asia review their economic ties with China.

The Chinese play a prominent role in trade, commerce and finance throughout the region.

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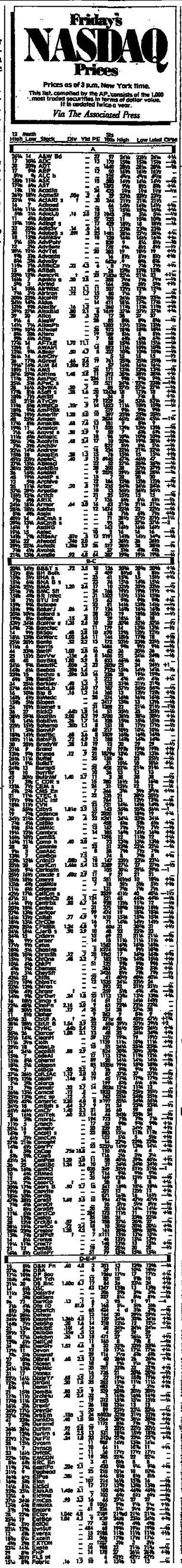
10-6-89

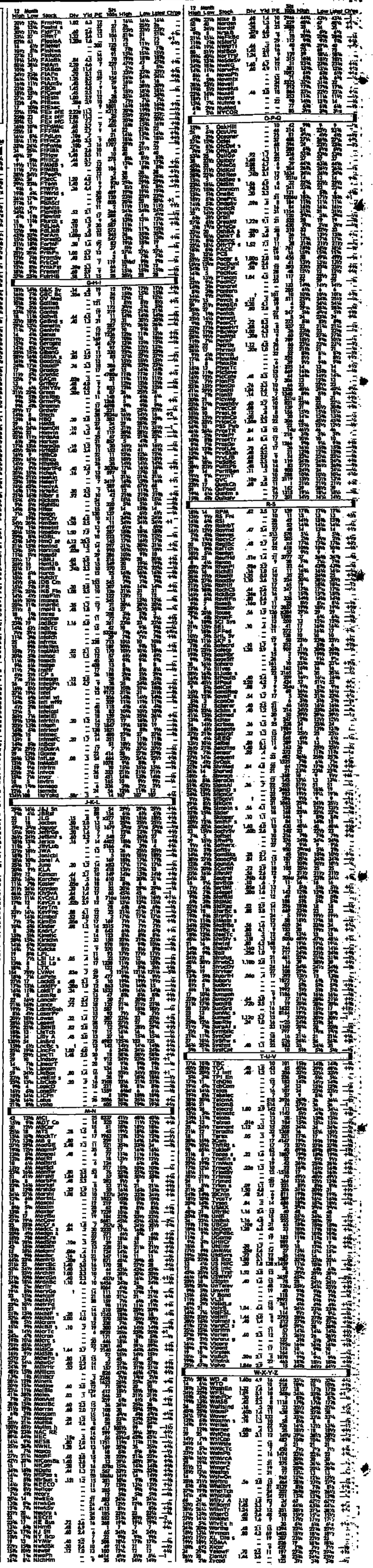
Friday's NASDAQ Prices

Prices as of 3 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Via The Associated Press





DOLLAR:

Above 2-DM Level

(Continued from first finance page)

ay midday, down from $1.5790 at the close on Thursday.

While dealers said the outlook for the pound is negative, the currency has been relatively stable since Chancellor of the Exchequer Nigel Lawson reiterated this week that Britain would keep interest rates at whatever level is needed to check inflation.

In the U.S. credit markets, Treasury bonds rose Friday in extremely volatile trading as strong foreign buying helped to offset the negative implications of the inflation report.

The Treasury's bellwether 8⅞ percent 30-year bonds initially plunged more than a full point on the producer prices report but then bounced back strongly. In late trading the bellwether issue was nearly one point higher at 107 7/32.

The yield on the 30-year issue plunged to 8.22 percent from 8.30 percent at the close of trading on Thursday.

Traders said the market chose to focus on the less bearish, underlying components of the producer prices report, while dollar strength drew a wave of foreign buying into the market.

Dealers estimated that $2 billion to $3 billion in Japanese long-term bond purchases hit the market Friday, helping to drive prices sharply higher.

Dealers said the price report contained mixed signals but came as a shock to the market because the speculation of a Fed move toward lower interest rates had grown feverish.

"When you look closely at the data, you get a different story that justifies the rebound in the market, though it may be overdone," said Anthony Vignola, head of fixed-income research at Kidder Peabody & Co.

Mr. Vignola said a 1.8 percent gain in auto prices, after a 2.8 percent drop in April, accounted for the swing in the core PPI rate in the two months. The average of those rates for May and April, he noted, shows a milder 0.2 percent rise.

"There are positives in the report," he said. "Does it justify the market jumping two points? That's psychology," he said.

In other markets, gold prices fell sharply Friday after a brief rally in response to the producer price report failed to hold its gains.

Traders said the fall reflected intense frustration that the metal has performed so poorly despite the political turmoil in China and Friday's inflation report.

London Dollar Rates

Closing	Fri.	Thu.
Deutsche mark	2.0055	1.9745
Pound sterling	1.5540	1.5730
Japanese yen	146.30	143.30
Swiss franc	1.7410	1.7120
French franc	6.7975	6.7065

Source: Reuters

INFLATE: Steep Rise in Index

(Continued from page 1)

cluding the volatile food and energy components, the index rose 0.5 percent last month. Nevertheless, he acknowledged, the report "certainly indicates that inflation remains a concern."

The producer price index has risen at a 5.5 percent annual rate over the past 12 months, but it will probably grow at a slightly more moderate pace over the remainder of the year, said Stacy Kottman, research coordinator at the Economic Forecasting Center at Georgia State University.

She said last month's 3.3 percent rise in the price of energy at the producer level is unlikely to be repeated because oil prices may stabilize or even decline as a new production agreement takes effect among the members of the Organization of Petroleum Exporting Countries.

Food prices may decline later this year as well, Ms. Kottman said, as U.S. farmers continue to recover their production levels from last year's drought. Food prices jumped 0.8 percent last month, with vegetable prices soaring 26.4 percent, including a doubling in tomato and celery prices.

For the past 12 months, wholesale inflation, not adjusted for seasonal factors, has soared 6.2 percent, compared with an increase of just 2 percent in the 12-month period ending in May 1988.

Excluding food and energy, wholesale prices rose 0.5 percent, up from a 0.1 percent decline in April, but meaning that what economists call the "core" wholesale inflation rate has advanced at a clip of about 4.3 percent so far this year, a bureau official said.

Analysts said the "core" inflation, combined with recent decreases in energy and commodity prices not included in the producer price report, indicates inflation is not about to roar out of control.

"I think the underlying message is that inflation seems to be leveling off," said Cynthia Latta, another Data Resources economist. "Inflation is a problem, but it doesn't seem to be a worsening one at this point."

She said economists pay more attention to the inflation rate excluding food and energy because it is more greatly affected by monetary policy.

The Labor Department said that without seasonal adjustment, the index for finished goods moved up 1.1 percent in May to a measure of 114.2, with 1982's measure equaling 100.

Prices for intermediate goods in May edged up only 0.1 percent, considerably less than in recent months, and crude materials climbed 0.9 percent, more than in April but less than in March, the department said.

Tokyo Selling Up as China Costs Yen Its Friends

Reuters

TOKYO — Active yen selling against European currencies, especially the Deutsche mark, indicated a loss of market confidence that has heightened since unrest broke out in China, dealers said Friday.

"Basically, the yen has no friends," said one Japanese bank dealer.

Called the "China cross" by some in the market, this type of cross trading was fueled by news of the military crackdown in Beijing.

According to Tetsuya Tonoike, a dealer at Sumitomo Bank Ltd., the yen is under the most pressure of any major currency at the present time.

The DM opened in Tokyo Friday at 72.66 yen against the close Thursday of 72.26. Dealers agree that, in the short term, there will be a test of 73 yen, a closing low for the yen since September 1988.

Dealers expect pressure on the yen to continue from all sides, with a medium-term DM-yen target of 75 yen and a near-term dollar-yen target of 144.

Meanwhile, in Frankfurt, the yen hovered around nine-month lows against the DM. "It looked as though the sales must have been massive," one dealer said of the Tokyo selloff.

Hideki Nakajima, assistant manager at Bank of America in Tokyo, saw a difference in this selling wave because the factors were not of domestic origin.

Other yen selling on the Tokyo market occurred most recently during the Recruit Co. stock- and influence-peddling affair and during Emperor Hirohito's illness last year, preceding his death.

The DM-yen cross rate has steadily gained over the past week, advancing nearly 1 yen since the confrontation in Beijing.

"The yen will continue to be pressured until the situation in China moderates," said Mr. Tonoike, who specializes in cross-currency trade.

He said there was a feeling of uncertainty over the entire region because of China, and Japan's role as China's largest lender and major trading partner has made the international community uneasy about holding yen assets.

"Japan and China are also geographically and historically closely tied," he added.

Other dealers said the yen would be hard-pressed to recover before elections to the upper house of the Diet on July 23.

"One of the factors overshadowing the yen's performance is the loss of confidence in Japan as a whole, triggered by the political turmoil over Recruit," said Yoshiro Okabe, vice president at Swiss Bank Corp. in Tokyo. "There has never been this kind of internationally publicized political upheaval here and markets overseas continue to be very wary."

In a media poll published Friday, the government of Prime Minister Sosuke Uno that came into office after the Recruit affair got the second-lowest popularity rating for a new administration since 1945.

Mr. Okabe added that interest-rate differentials between Europe and Japan serve to anchor the cross-trading trend.

Although a West German discount rate rise did not materialize earlier this month, there is still speculation in the market that it may come.

On the other hand, the possibility of a further rate increase by the Bank of Japan after its 0.75 point rise is largely dismissed.

Dealers add that selling yen in Tokyo in straight dollar-yen trade can be disturbed by central bank intervention, so it is easier to go through crosses. On the other hand, they see the major underlying factor as being the dollar's persistent bullishness against the yen.

"The dollar is still strong, but it seems to have topped out for now against the mark and the Swiss franc," says Mr. Okabe. "The yen is slowest to recover from the dollar's recent rally and it's showing in the cross rates."

Customarily, when a currency softens in straight trading against the dollar, its cross rates also slip in reaction.

The dollar bumped against firm resistance at 1.98 DM, but breached its yen resistance of 143.50 since the news of heightened unrest and violence in China.

Overseas Chinese are selling off their yen, some dealers say.

"Wealthy overseas Chinese, especially in Hong Kong and Canada, who may have substantial yen assets, are selling off their yen for safe-haven dollars because of the situation in the mainland," Mr. Tonoike said.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, June 9

Amsterdam

	Close	Prev.
ABN Bank	42.50	42.70
ACF Holding	51.50	51
Aegon	99.10	99.10
Ahold	121.70	122
Akzo	150.50	151.50
AMEV	51.50	52.10
A'Dam Rubber	8.10	8.10
Amro Bank	83.10	83.10
Bols	145.30	144.50
Buhrmann Tett	69.60	68.80
BVG	24.80	24.50
Center Parcs	78	78.80
CSM	66.50	66.60
DAF	75.80	76
DSM	137.80	138.90
Elsevier	73.30	73
Fokker	42.10	42.10
Gist-Brocades	34.80	34.70
Heineken	114.70	115
Hoogovens	108.20	107.40
Hunter Douglas	117	113
IHC Caland	33.40	33.50
Int Mueller	94.50	94.10
KLM	48.90	49.20
KNP	60.70	61
Nat Neder	64.30	63.20
Nedlloyd	429	446.50
NMB Bank	234.20	236
Oce Grinten	318	314
Pakhoed	136.20	136.40
Philips	39	38.60
Robeco	106.30	106.40
Rodamco	163.20	165.20
Rolinco	104.40	104.40
Rorento	61.70	61.60
Royal Dutch	138	138.40
Unilever	139.40	139.30
Van Ommeren	46.90	47.50
VMF Stork	38	37.80
VNU	110.80	110.30
Wessanen	90.50	89.20
Wolters/Kluwer	177.50	175.50

ANP-CBS Gen'l Index: 185.90
Previous: 185.60

Brussels

	Close	Prev.
Arbed	4190	4200
Bekaert	14800	14900
Cockerill	345	345
Cobepa	5720	5750
Delhaize	5530	5510
EBES	4770	4750
GB-Inno-BM	1340	1324
GBL	4475	4450
Gevaert	8400	8250
Hoboken	17400	17350
Intercom	3650	3650
Kredietbank	4640	4640
Petrofina	13200	13200
Royale Belge	5200	5150
Soc Gen Baue	6020	6010
Sofina	12750	12800
Solvay	15025	15100
Tractebel	8550	8400
UCB	11650	11600
Unerg	2720	2650

Current Stock Index: 6128.48
Previous: 6114.82

Frankfurt

	Close	Prev.
AEG	215	211.50
Allianz Hldg	1797	1818
Altana	403	399.50
Asko Dt. Kfhs	831	830
BASF	312.10	314.80
Bayer	311.30	312.50
Bay. Hypo bank	388	390
Bay Vereinsbank	387	390.50
BBC	435.50	439
BHF-Bank	456	456
BMW	574	572.50
Commerzbank	242	241.20
Continental	292.50	289
Daimler-Benz	690.50	690
Degussa	462	457
Dt. Babcock	186	183.50
Deutsche Bank	564.80	567.20
Dresdner Bank	324.80	325
Feldmuehle	355	360
Harpener	345	345
Henkel	499	491
Hochtief	845.50	845.50
Hoechst	300.10	302.40
Hoesch	277.50	279
Holzmann	758	756
Horten	246	245
Hussel	530	534
IWKA	300.50	305
Kali + Salz	201.50	200.50
Karstadt	550	549.50
Kaufhof	492.50	491
KHD	187	182
Kloeckner Werke	169	174
Krupp Stahl	228	224.50
Linde	718	715
Lufthansa	186	189
MAN	210	209.50
Mannesmann	252.50	253.50
Metallgesell	436	437
Muench Rueck	2150	2170
Nixdorf	511	513.70
PKI	347	355
Porsche	760	761
Preussag	298.50	299
PWA	307.50	300
RWE	293.50	292.70
Rheinmetall	400	410
Schering	663.70	667.50
SEL	312	314
Siemens	257.50	256.80
Thyssen	257	254.80
Varta	363	364
Veba	303.80	301.80
VEW	187	185
Viag	318	316
Volkswagen	410	415.50
Wella	621	625

Commerzbank Index: N.A.
Previous: 1785.40
FAZ Index: 600.91
Previous: 600.98

Helsinki

	Close	Prev.
Amer A	166	166
Enso-Gutzeit	37.60	36
Finnish Sugar	182	182
K.O.P.	64	64.40
Kymmene	125	125
Nokia	132	131
Pohjola	300	300
Stockmann	275	275
Utd Paper	136	132
Wartsila	450	450

Unitas Index: 809.60
Previous: 808.38

Hong Kong

	Close	Prev.
Bk East Asia	12.90	12.80
Cathay Pacific	8.40	8.50
Cavendish Int'l	2.40	2.35
Cheung Kong	7.15	6.90
China Light Pwr	11.30	11.40
Dairy Farm Int'l	6.10	5.75
Hang Lung Dev	3.35	3.20
Hang Seng Bank	20.40	20.10
Henderson Land	3.45	3.45
HK Air Eng.	15.50	15
HK China Gas	14.80	14.10
HK Electric Hdgs	6.75	6.65
HK Land	7.40	7.20
HK Realty Trust	[illegible]	[illegible]
HK Shang Bank	5.45	5.25
HK Shel Hts	4.15	4.125
HK Telecomm	4.40	4.45
HK-TVB	8	7.80
HK Ferry	3.675	3.40
Hutch Whampoa	7.60	7.30
Hysan Dev	1.11	1.08
Jardine Math.	17	16.60
Jardin Strat Hdg	10	9.70
Kowloon Motor	6.40	6.20
Mandarin Orient	4.45	4.175
Miramar Hotel	4.65	4.50
New World Dev	7.45	7.35
SHK Props	8	7.70
Stelux	1.82	1.77
Swire Pac A	14.30	14
Tai Cheung Prps	3.25	2.875
Wharf Hold.	7.30	7.25
Wing On Co	4.125	3.85
Winsor Ind.	7.20	6.90
World Int'l Hdgs	3.05	2.875

Hang Seng Index: 2268.38
Previous: 2224.64

Johannesburg

	Close	Prev.
AECI	1700	1825
Altech	8400	8400
Anglo American	8325	8300
Barlows	4125	4155
Blyvoor	1140	1105
Buffels	4700	5080
GFSA	6500	7850
Harmony	2175	2175
Hiveld Steel	2080	2100
Kloof	3525	3675
Nedbank	825	825
Rusplat	6150	6200
SA Brews	2350	2350
St Helena	3000	3075
Sasol	1220	1225
Welkom	1975	2000
Western Deep	11300	11700

Composite Stock Index: 2531
Previous: 2547

London

	Close	Prev.
AA Corp $	19¾	19¾
Allied Lyons	434	430
Anglo Am Gd $	64¼	65¼
Ass Brit Foods	365	363
Asda-MFI Gp	171	170
BAA	359	359
Barclays	457	458
Bass	970	958
B.A.T.	620	636
Beecham	624	617
Blue Circle	567	570
BOC Group	477	475
Boots	292	296
Bowater Ind.	475	477
British Aero.	605	607
Brit Airways	179	176
British Gas	185½	184½
BP	289½	288½
British Telec.	277½	279
BTR	373	375
Burmah	598	597
Cable Wireless	473	468
Cadbury Schw	354	356
Charter Cons.	397	397
Commercial U	372	372
Cons Gold Fd	12½	12 37/64
Cookson Gp	332	332
Courtaulds	335	335½
Dalgety	357	359
De Beers	15¼	15½
Dixons	150	153
Driefontein $	9½	9⅝
Fisons	385	385
Freegold $	7	7⅛
Gatway	210½	209½
Gen Accident	939	939
GEC	237	241
GKN	393	393
Glaxo	13 31/64	13 17/32
Grand Met	542	542
GRE	199½	199½
Guinness	506	493
Gus	16¼	16¼
Hanson	190	190½
Hawker	712	720
ICI	12 29/64	12 31/64
Jaguar	345	351
Kingfisher	307	302
Land Sec	548	548
Legal and Gen	314	315
Lloyds Bank	356	354
Lonrho	269	271
Lucas	649	631
Marks & Sp	187	187
Maxwell Com	183	184
Metal Box	209	208
Midland Bank	349	352
Nat.West.Bk	597	596
Pearson	715	708
P and O	450	458
Pilkington	228½	228
Plessey	261	261
Prudential	181	180
Racal Elec	548	545
Randfontein $	45½	47¼
Rank	954	967
Reed Internat	418	402
Reuters	770	770
Rolls-Royce	193½	192
Royal Dutch	39¾	39¾
RTZ	524	526
Saatchi	314	313
Sainsbury	248½	247
Sears Holding	118½	119½
Shell	410½	413
STC	344	345

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	1045	1045
Bco. Central	1035	1035
Bco. Santander	837	832
Banesto	1170	1150
CEPSA	511	505
Dragados	612	687
Expl. Rio Tinto	319.50	323
Hidroelec. Esp.	95.75	96
Iberduero	128.50	127
Telefonica	197.50	194.25

General Index: 314.52
Previous: 313.54

Milan

	Close	Prev.
Banca Comm	4415	4469
Bastogi	410	412
Ciga hotels	4700	4700
CIR	5900	5900
Cred Ital	2155	2165
Eridania	6490	6450
Ferruzzi Fin.	3150	3130
Ferruzzi Agr.	2244	2274
Fiat	9244	9170
Generali	41590	41430
IFI	19405	19470
Italcem	11300	11320
Italgas	2349	2350
Italmobiliare	16490	16580
Mediobanca	21750	21500
Montedison	2210	2165
NBA	1601	1648
Olivetti	9279	9270
Pirelli	3422	3399
RAS	28480	28495
Rinascente	5559	5590
Saipem	3175	3230
SIP	2890	2871
SME	3870	3883
Snia	2789	2777
Standa	26500	26000
Stet	4150	4030
Toro	20440	20000

a: x100.
MIB Index: 1862
Previous: 1860

Paris

	Close	Prev.
Accor	687	684
Air Liquide	625	630
Alsthom Atl	623	622
Av Dassault	720	710
Bancaire	528	530
BIC	774	770
Bongrain	3070	3090
Bouygues	652	651
BSN-GD	674	678
Carrefour	3172	3160
Cerus	488	482
C.G.E.	457	457.50
Chargeurs	1357	1342
Club Med	672	672
Dumez	1017	1025
Elf-Aquitaine	546	546
Europe 1	536	532
Gen. Eaux	2048	1998
Hachette	397	410
Havas	580	581
Imetal	385	387.50
Lafarge Coppee	1660	1665
Legrand	3730	3700
Oreal (L')	4130	4130
L.V.M.H.	4090	4170
Matra	335.10	336
Merlin Gerin	4468	4495
Michelin	204.90	202.50
Moulinex	136	136.10
Occidentale	898	886
Paribas	494.50	496.50
Pernod-Ricard	1263	1269
Perrier	1618	1650
Peugeot	1676	1686
Printemps (Au)	685	690
Radiotechnique	642	641
Raff. St. Louis	1360	1352
Redoute (La)	3350	3350
Roussel Uclaf	1800	1820
Saint Gobain	622	625
Sanofi	855	857
Skis Rossignol	1251	1261
Societ. Generale	510	502
Suez	345	346
Telemecanique	3400	3465
Thomson-CSF	220	225.10
Total	529	528
Valeo	788	790

Bourse Index: +0.49%
Previous: +0.18%

Sao Paulo June 8

	Close	Prev.
Banco do Brasil	1.23	1.21
Bradesco	0.15	0.16
Brahma	0.04	0.04
Paranapanema	1.04	1.05
Petrobras	6.27	6.19
Varig	0.37	0.37

Bovespa Index: 12873
Previous: 12058

Singapore

	Close	Prev.
Cerebos	5.35	5.25
City Dev.	4.48	4.36
DBS	9.40	9.15
Fraser Neave	9.35	9.20
Genting	5.70	5.55
Harrisons Plant	2.02	1.98
Haw Par	3.04	2.94
Hume	2.76	2.55
Inchcape	6.40	6.15
Keppel	4.18	4.08
KL Kepong	3.46	3.34
Lum Chang	1.17	1.12
Malayan Banking	6.05	6.05
OCBC	9.40	9.25
OUB	3.42	3.42
OUE	7.05	6.95
Sembawang	4.32	4.26
Shangri-la	8	7.90
Sime Darby	3.36	3.28
SIA	13.30	12.90
S'pore Land	11.70	11.40
S'pore Press	7.45	7.30
S Steamship	2.78	2.70
Straits Trading	3.45	3.40
UOB	5.45	5.20
United Overseas	2.13	2.08

Straits Times Ind.: 1241.21
Previous: 1207.11

Stockholm

	Close	Prev.
AGA	238	238
Alfa Laval	610	610
Asea	352	342
Astra	276	273
Atlas Copco	320	325
Electrolux	307	303
Ericsson	527	524
Esselte	225	225
Handelsbanken	170	170
Pharmacia	197	192
Norsk Hydro	162	161.50
Saab-Scania	245	245
Sandvik	231	231
SCA	400	399
S-E. Banken	105	102
Skandia Int	N.Q.	250
Skanska	515	515
SKF	160	157
Stora	430	420
SwedishMatch	148	147
Volvo	436	434

Affaersvaerlden: 1192.70
Previous: 1186.00

Sydney

	Close	Prev.
ANZ	4.96	5.16
BHP	8.66	8.54
Boral	3.48	3.38
Bougainville	2.12	2.14
Coles Myer	8.64	8.50
Comalco	4.60	4.68
CRA	8.84	8.56
CSR	4.49	4.45
Dunlop	4.50	4.55
Elders IXL	2.59	2.57
ICI Australia	6.34	6.36
Magellan	2	2
MIM	1.95	1.93
Nat Aust Bank	6.66	6.64
News Corp	15.20	14.20
N Broken Hill	2.20	2.20
Poseidon	2.20	2.20
QCT Resources	1.30	1.30
Santos	3.60	3.60
Thomas Nation	3.30	3.28
Western Mining	5.24	5.14
Westpac Banking	4.92	4.90
Woodside	2.45	2.50

All Ordinaries Index: 1543.60
Previous: 1544.90

Tokyo

	Close	Prev.
Akai	816	799
Asahi Chemical	1200	1200
Asahi Glass	2340	2310
Bank of Tokyo	1640	1650
Bridgestone	1520	1520
Canon	1620	1640
Casio	1410	1420
C.Itoh	990	1010
Dai Nippon Print	2330	2330
Daiwa House	2130	2150
Daiwa Securities	2200	2170
Fanuc	6300	6420
Fuji Bank	3480	3460
Fuji Photo	3970	4020
Fujitsu	1500	1510
Hitachi	1600	1610
Hitachi Cable	1600	1640
Honda	1940	1940
Ito Yokado	3490	3890
Japan Air Lines	17200	17100
Kajima	2140	2150
Kansai Power	4680	4670
Kawasaki Steel	998	997
Kirin Brewery	1710	1920
Komatsu	1280	1270
Kubota	1220	1220
Kyocera	5150	5200
Matsu Elec Inds	2400	2410
Matsu Elec Wks	2050	2050
Mitsubishi Bank	3180	3150
Mitsubishi Kasei	1130	1130
Mitsubishi Elec	1160	1170
Mitsubishi Hvy	1190	1170
Mitsubishi Corp	1450	1440
Mitsui and Co	1030	985
Mitsukoshi	2360	2400
Mitsumi	980	985
NEC	1820	1830
NGK Insulators	1710	1700
Nikko Securities	1830	1840
Nippon Kogaku	1450	1450
Nippon Oil	1490	1500
Nippon Steel	1020	1010
Nippon Yusen	1020	1020
Nissan	1600	1620
Nomura Sec	3250	3250
NTT	1480a	1490a
Olympus Optical	1400	1400
Pioneer	3250	3510
Ricoh	1250	1250
Sanyo Elec	951	950
Sharp	1380	1370
Shimazu	1200	1200
Shinetsu Chem	1770	1790
Sony	7670	7650
Sumitomo Bank	3250	3500
Sumitomo Chem	955	950
Sumi Marine	1320	1350
Sumitomo Metal	869	870
Taisei Corp	1660	1710
Taisho Marine	1320	1340
Takeda Chem	2340	2330
TDK	5200	5130
Teijin	879	882
Tokyo Marine	2030	2020
Tokyo Elec Pwr	5960	5950
Toppan Printing	1930	1950
Toray Ind.	995	1000
Toshiba	1410	1410
Toyota	2680	2700
Yamaichi Sec	1800	1820

a: x100.
Nikkei 225: 33639.98
Previous: 33718.29
New Index: 2580.41
Previous: 2584.73

Zurich

	Close	Prev.
Adia	8250	8175
Alusuisse	1298	1254
Bank Leu	2760	2725
Brown Boveri	4150	4145
Ciba Geigy	4070	4020
Credit Suisse	2510	2495
Electrowatt	2950	2940
Georg Fischer	1805	1740
Interdiscount	3425	3400
Jacob Suchard	7300	7175
Jelmoli	2450	2475
Landis Gyr	1300	1260
Moevenpick	5550	5525
Nestle	6700	6645
Oerlikon-B	1135	1080
Pargesa Holding	1770	1760
Roche Holding-B	16900	16850
Sandoz	2110	2100
Schindler	5800	5850
Sulzer	405	398
Surveillance	580	5550
Swissair	1065	1065
SBC	312	312
Swiss Reinsur	1725	1700
Swiss Volksbank	1750	1750
Union Bank	3360	3330
Winterthur	4700	4725
Zurich Ins	2600	2000

S.B.C. Index: 622.10
Previous: 615.40

Toronto June 9

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
2438	Abti Prce	$19⅝	19½	19⅝	+ ⅛
16200	Agnico E	$8⅝	8½	8⅝	— ⅛
47179	Air Canada	$13¾	13¼	13⅜	
6646	Alt Energy	$17½	17	17	
1900	Alta Nat	$16¾	16⅝	16¾	+ ⅛
148600	A Barick	$25½	25⅜	25⅜	— ⅛
2442	Atco I f	$10⅜	10⅜	10⅜	+ ⅛
387473	BCE Inc	$40	39⅝	39⅞	
17747	BCED	294	292	294	
388	BP Canada	$16½	16½	16½	
605488	Bank N S	$18¾	18⅝	18⅝	
2200	Baton	$13½	13½	13½	
54464	BCE Mobl	$37⅛	36⅞	37	— ⅛
12000	Bralorne	30	30	30	
2200	Bramalea	$33	31½	33	+ 1
485239	BC Phone	$17⅛	16½	17⅛	+ ½
100	Brunswk	$11½	11½	11½	
149315	CAE	$14⅞	14⅝	14⅞	
130	CCL B f	$10½	10½	10½	— ⅛
39900	Cambior	$13⅛	12⅞	12⅞	— ½
42803	Campeau	$16¼	15⅝	16¼	+ ½
14550	C Nor West	$7½	7½	7½	
6750	C Packrs	$15¼	14⅞	15¼	+ ⅜
308743	CI Bk Com	$31⅜	31	31⅜	+ ¼
2483	CP Forest	$43	42⅝	42⅝	+ ⅛
394849	CP Ltd	$23⅛	22⅞	23	
64913	CTire A f	$22¼	21⅞	22¼	+ ¼
5425	C Util B	$21⅝	21½	21½	
6400	Cantor	$24¼	24	24¼	
250	Cara	$17⅜	17¼	17¼	— ¼
12850	Celanese	$33¼	32⅞	33	— ⅛
300	Celanes 1 p	$30½	29½	29½	— ½
5800	Cntrl Cap	$12½	12¼	12½	
21450	Cineplex	$15⅝	15	15⅛	— ⅛
311521	Corona A f	$8⅞	8½	8½	— ⅜
500	Crownx	$11⅞	11⅞	11⅞	— ⅛
4500	Denison A p	$5¾	5½	5¾	
9406	Denison B f	$5¾	5½	5⅝	— ⅛
2300	Derlan	$13⅞	13¾	13¾	— ⅛
13461	Dicknsn A f	490	470	470	—30
75	Dicknsn B	$5	5	5	
37246	Dofasco	$28	27¾	27⅞	+ ⅛
3900	Donohue	$13½	13½	13½	+ ¼
4816	Du Pont A	$24½	24½	24½	
33000	Dylex A f	$11¼	11⅛	11¼	+ ⅛
22200	Equity Svr A	420	400	405	—15
66436	FCA Intl	$9⅞	9⅞	9⅞	
3800	FPI Ltd	$7⅞	7⅝	7⅞	
170755	Ficnbrdge	$31⅛	31	31	— ⅛
16500	Fed Ind A	$16⅝	16½	16⅝	+ ⅛
4100	Fed Pion	$14	13⅞	13⅞	+ ⅛
760	F City Fin	$30	29⅞	30	+ ¼
8382	Fleet CCan A	$18	17⅞	17⅞	— ⅛
7900	Fleet C Inv	$22	22	22	+ ⅛
10	Gendis A	$21	21	21	+ ¼
1380	GE Canada	$29¼	29⅛	29¼	+2½
400	Gibraltar	$9⅝	9⅝	9⅝	+ ¼
72310	Goldcorp f	380	350	370	—10
13340	Grafi G	$10⅞	10⅝	10⅝	— ⅛
535	Gt Pacific	$48	48	48	
2803	Hayes D	$14⅞	14⅞	14⅞	— ⅛
34865	Hees Intl	$29⅞	29⅝	29⅝	— ⅛
115874	Hemlo Gld	$14⅛	13⅞	14	— ⅛
17500	Hollinar I	$14½	14⅜	14½	+ ⅜
23351	H Bay Co	$30⅛	29⅞	30⅛	+ ⅛
77787	Imasco L	$35⅞	35	35⅝	— ⅛
18500	Inland Gas	$15⅛	15	15⅛	+ ⅛
8985	Interhome	$49⅞	48½	49	+ 1
7600	Ipsco	$19	18⅝	18⅝	— ¼
4308	Ivaco A f	$12⅛	12	12	
19669	Jannock	$18⅝	18½	18⅝	
910	Kerr Add	$19⅝	19½	19⅝	+ ⅛
23041	Labatt	$24⅞	24⅝	24⅝	— ⅛
17106	Loblaw Co	$14¼	14	14	— ⅛
500	Lumonics	$7⅞	7⅞	7⅞	
117900	Magna A f	$13⅞	13⅝	13½	
1137	MDS H A	$24	24	24	
120350	Mclan H X	$14	13⅜	13⅞	— ⅛
7657	Maritime I	$17⅛	17	17⅛	+ ¼
2674	Mark Res	$7⅞	7⅞	7⅞	— ⅛
700	Minnova	$18⅞	18⅞	18⅞	
13489	Molson A f	$36½	36⅛	36⅜	
300	Molson B	$36¼	36	36	+ 1
1144	N-W Gr	$7	7	7	+ ⅛
4800	Noranda F	$14	13⅞	14	
191871	Noranda I	$23⅞	23⅝	23¾	— ⅛
26246	Norcen	$25	24⅝	24⅝	— ⅛
336778	Nova Cor f	$10⅞	10¾	10⅞	+ ⅛
25143	Nowsco W	$14⅞	14¼	14½	+ ⅜
45000	Onex C I	$14⅞	14⅝	14⅝	
35200	Oshawa A f	$27⅞	27⅝	27½	
373253	PWA Corp	$17⅝	17⅛	17½	
1539	PanCan P	$27	26⅞	27	+ ⅛
238618	Placer Dm	$16	15⅝	15½	— ½
41550	Poco Pete	$8⅞	7⅞	8	+ ⅛
27500	Que Sturg o	165	155	155	—11
7400	Rayrock f	$8⅞	8¾	8¾	— ⅛
62241	Renisanc	$17	16¾	16¾	— ⅛
720	Rogers A	$139	137	139	— 1
30541	Rogers B f	$119	115½	116½	—2½
158697	Royal Bnk	$45½	44⅞	45⅛	+ ⅜
35517	Ry Trco	$18½	18¼	18½	— ⅛
7216	Sceptre R	445	435	435	—10
52800	Scotts f	$17⅛	16⅞	17⅛	+ ⅛
19269	Sears Can	$14	13⅞	13⅞	— ⅛
4400	SHL Systm	$12	11⅞	11⅞	— ⅛
497449	Shell Can	$44⅛	43½	43¾	— ½
6725	Sherritt	$12⅞	12¾	12¾	— ⅛
49705	Southam	$35¼	34⅞	35	+ ¼
6230	Spar Aero f	$14	13⅞	13⅞	— ⅛
95222	Stelco A	$24⅛	24	24	— ⅛
74620	TCC Bev	$10⅞	10½	10½	— ⅛
2100	Teck Cor A	$21½	21¼	21¼	— ⅛
31155	Teck B f	$20⅞	20⅝	20⅝	— ⅛
719348	ThomCor	$19⅞	19½	19⅝	+ ¼
275232	Tor Dm Bk	$41½	41⅛	41½	+ ⅛
4500	Torstar B f	$34½	34⅜	34¼	— ⅛
900	Trns Mt	$15½	15⅛	15⅛	— ¼
184832	TrnAlta U	$15½	15⅜	15⅜	+ ⅛
177600	TrCan PL	$14⅞	14⅝	14⅝	+ ⅛
8302	Trimac	430	425	425	
7978	Trilon A	$20⅞	20⅝	20⅝	— ⅛
5900	Trizec A f	$36⅝	36½	36¼	+ ⅛
74500	Turbo	78	76	77	+ 1
3200	Unicorp A f	$7	7	7	+ ⅛
300	Un Carbid	$22½	22½	22½	
12081	U Entprise	$9⅞	9⅝	9⅝	
2700	U Keno	390	375	375	—25
8700	Westmin	$9⅝	9½	9⅝	+ ⅛
10258	Weston	$43	42⅝	43	— ½
7144	Woodwd A	$5½	5⅜	5½	

Total sales 23,882,912 shares

	Close	Previous
TSE 300 Index:	3,802.41	3,803.20

Montreal June 9

Sales	Stock	High	Low	Close	Chg.
68906	Bank Mont	$32⅞	32⅝	32½	— ⅛
105100	BombrdrA	$14⅛	13⅞	14	
262447	BombrdrB	$14⅛	13⅞	14	+ ⅛
6410	Cascades	$6⅞	6⅝	6⅝	
21927	DomTxtA	$15⅝	15⅛	15⅛	+ ⅛
7350	Memotec	$9⅞	9⅝	9⅝	
183584	NatBk Cda	$14¼	14	14⅛	— ⅛
66850	Noverco	$12⅞	12½	12⅝	+ ⅛
29337	Power Corp	$15⅞	15⅝	15⅝	
6926	Provigo	$10⅛	9⅞	9⅞	— ⅛
46933	SteinbrgA	$41½	40½	41½	+1⅛
14895	Videotron	$19⅞	19⅝	19⅝	— ⅛

Total Sales 6,306,687 shares.

	Close	Previous
Industrials Index:	n.a.	1,487.45

BUCHWALD
IN THE IHT EVERY TUESDAY AND THURSDAY.
INCOMPARABLE BARBS FROM AMERICA'S FOREMOST HUMORIST

Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

SCIENCE
IN THE IHT EVERY THURSDAY.
A FULL PAGE ON RECENT DISCOVERIES IN SCIENCE AND MEDICINE

SPORTS

A Cycling Epic on the Arno

3 Riders Looking to Win 'Race of Truth' in Tour of Italy

By Samuel Abt
International Herald Tribune

On a hill looking across the Arno River into the tourist center of Florence, under the magisterial glare of Michelangelo's statue of David, two of the finest professional bicycle riders in the world will battle Sunday with an obscure opponent at the end of an epic race.

The statue is a fake — one of two reproductions in Florence of the original, which sits in the Accademia museum as protection against rain and pollution. The epic quality of the race, the Giro d'Italia, is authentic.

After 3,655 kilometers (2,263 miles) over three weeks, from the heat of Sicily to the snows of the Alps, the Tour of Italy should be decided on its final day in what some commentators call "the race of truth."

This is a time trial, a 54-kilometer race against the clock, from the textile town of Prato through flat countryside across the Ponte San Nicolò and up to the Piazzale Michelangelo in Florence.

As the pack rolled Friday into the Ligurian port of La Spezia after a 220-kilometer stage from Voghera in the Apennines, the race had narrowed from a 196-man start to a 3-man finish.

Still leading was Laurent Fignon, the 28-year-old Frenchman who won the Tour de France in 1983 and 1984 and then went into steep decline after surgery for heel tendinitis. Third overall, one minute 31 seconds behind him, was Andy Hampsten, 27, the fine American climber who won the Giro last year. Sandwiched in second place, 1:26 behind Fignon, was Flavio Giupponi, 25, a rider with no previous victory more important than the Tour of the Northern Italian Regions.

Fignon added a burst of bravura by winning Friday's stage when he sprinted away from the field in the last few hundred meters. In addition to the prestige, the victory was worth a bonus of 10 seconds in time deducted from his total.

Giupponi, who finished fourth Friday, and Hampsten, fifth, have one further stage on which to attack Fignon directly. On Saturday the race will move 216 kilometers from La Spezia to Prato and pass over two peaks, San Pellegrino in Alpe (1,600 meters, or 5,280 feet, high) and the Abetone (1,388 meters). It promises to be a wearying day for the Frenchman, who is seeking his first victory in a major multiday race since his golden years.

Even so, because of victories in such one-day classics as Milan-San Remo, Fignon ranks No. 8 in the computerized grading of the top 500 riders. Hampsten stands No. 15 and Giupponi No. 100. The gap is even greater than that: the first two are team leaders, Fignon with Système U and Hampsten with 7-Eleven, while Giupponi is simply a *domestique*, a support rider, with Malvor.

When the Giro began May 21 in Taormina, Sicily, Giupponi was riding only to help his leader, Silvano Contini. After wearing the pink jersey that denotes the race's leader, the ailing Contini had to drop out and Giupponi was free to make his own race. He moved up among the leaders and has stayed there. The closest Giupponi has come to victory in the Giro before was his fourth place last year after a fifth place in 1987.

Fignon has come even closer to victory in the world's second most important bicycle race after the Tour de France. In 1984 he finished second to Francesco Moser, an Italian national hero, and many felt he would have won if the Giro's organizers had not canceled a mountain stage in which Moser, a notoriously poor climber, was likely to have lost his lead to the Frenchman.

The official explanation for the cancellation was that fresh snowfalls had closed the pass over which the day's stage was to move, but reporters who drove to the pass found it open and nearly free of snow. Moser used the respite, and what was then the new aerodynamic bicycle, to stay barely ahead of Fignon in the final time trial.

Again this year a climb, over the Gavia Pass, was canceled and for the same reasons officially.

This time the action benefited Fignon, who usually rides poorly in the cold and who was considered ripe for attack there by both Giupponi and Hampsten. Even the sympathetic French press thought that the stage or a shortened version could have been held and that the real reason was that panic had overwhelmed the organizers when they learned that Italian television crews could not reach the scene because of snow below.

A more romantic version said that the organizers had acted out of a sense of honor toward Fignon, hoping to wipe out the stain of the 1984 cancellation. The riders were divided about the action, with most relieved not to have to face another day of cold, snow and rain.

Hampsten was one of the few to voice regrets but, as he noted, "regrets don't mean anything." With his usual grace, he insisted that he had not been victimized.

The Gavia is familiar territory for the American, who calls it "one of my favorite places." It was there that Hampsten won the Giro last year by finishing second during a snowstorm that eliminated most of his rivals.

The stage became an instant treasure in a sport that — except for the Giro — never calls itself off because of weather conditions.

Osamu Honda/The Associated Press

WESTCHESTER LEADER — Tom Sieckmann lines up a putt in the first round Thursday of the Westchester Classic in Harrison, New York. He led after a seven-under-par 64.

U.S. Promoter Cancels Moscow Glasnost Bowl

The Associated Press

LOS ANGELES — The Soviet Union is making room for many new things under its policy of openness, known as *glasnost*. But big-time American college football won't be part of the program.

The so-called Glasnost Bowl between Southern California and Illinois was canceled Thursday because of contractual problems between the host country and the network that had hoped to broadcast the first U.S. college football game to be played in the Soviet Union.

The game, set for Sept. 2 in Moscow, is to be played sometime during the first two weeks of September at the Los Angeles Coliseum, according to the sports information director at USC, Tim Tessalone.

Raycom officials decided to cancel the Moscow game after contractual concerns arose during the last two weeks that could not be resolved with Soviet sports authorities. The main concern was availability and quality of hotel rooms and transportation, according to the company's executive vice president, Ken Haines.

"In the United States, the citizens feel there is a great deal of bureaucracy," he said. "Our bureaucracy is minimal compared to their bureaucracy and, pardon the pun, the red tape that exists in the Soviet Union."

"It's a situation where their particular system is not geared up to handle this type of an American enterprise," he added.

Haines said that the stadium facilities in Moscow "were below par to what our major football teams are used to, from the field, the locker rooms, the press box to the stadium seats themselves."

VANTAGE POINT/Dave Anderson

Watson: Will the Fire Return?

New York Times Service

HARRISON, New York — On the PGA Tour, the 36-hole cut is golf's guillotine. Make the cut, play the final 36 holes of the tournament and you're assured a check. Miss the cut and pay your motel bill Friday night.

For the best golfers, missing the cut is usually only an occasional nuisance. And for nearly a decade, Tom Watson was much more than one of the best golfers — he was the best.

When the television networks advertised a tournament, his picture was often used. He was all but sure to be among the leaders who would be seen on television.

In those years, Tom and Linda Watson's two children were too young to understand how good a golfer their father was, too young to appreciate his triumphs.

But Meg is now 9 and Michael is 6, both old enough to understand their father's sudden search for the tempo and the touch that have deserted him. Old enough, when he phones home on Friday nights, to ask the question he never thought he'd hear.

"They ask me," Watson was saying with a sad smile, " 'Daddy, did you make the cut?' "

Did Nolan Ryan get a strikeout? Did Joe Montana complete a pass? Did Michael Jordan get a basket? Did Mike Tyson land a left hook?

Nobody would ever think to ask those questions. But for the 39-year-old Watson it's now, "Daddy, did you make the cut?"

And after a par 71 in Thursday's first round of the Manufacturers Hanover Westchester Classic, when he calls home after Friday's second round, his kids will be asking that question again. And he will be answering it gently.

Just as he gently responded to a question whether he had recently consulted a golf-swing guru, David Leadbetter, because he was "desperate" after missing the cut at his previous tournaments, the Byron Nelson Classic and the Memorial.

"I reached the point," he said, "where I was wallowing."

Watson reigned for eight years as the world's best golfer. Whenever the Masters or the U.S. Open or the British Open dissolved into a duel between him and Jack Nicklaus on the final holes, Watson won.

In those years from 1977 through 1984, he was the PGA Player of the Year six times and the leading money-winner five times. He won 29 tournaments, including two Masters and the 1982 U.S. Open, plus four of his five British Opens.

And he accomplished all this with a competitive grace that was as firm as his handshake, as fiery as his reddish hair, as clear as his green eyes.

When the 1985 golf tour began, he was still only 35 and already a Hall of Fame golfer even though he had only begun to win.

But ever since, it's as if an impostor were swinging Watson's golf clubs. The only tournament he has won in the last five years was the 1987 Nabisco championship.

Although he's the PGA Tour's career leading money winner with more than $5 million, he ranks 88th this year with only $73,851.

His highest finishes were a tie for 11th at The Players Championship and 14th at the Masters. In his 12 tournaments, he's missed the 36-hole cut four times.

For more than a decade Byron Nelson himself was Watson's mentor. Another confidant was his original tutor, Stan Thirsk, the Kansas City Country Club pro.

"I told Byron and Stan that I didn't want them to think I was abandoning them by going to David Leadbetter in Orlando, but they were both very enthusiastic," Watson said. "Stan told me, 'I don't care who you go to, I just want you to succeed.' Byron said essentially the same thing."

Not that Watson has been invisible. At the U.S. Open two years ago he was within a stroke of forcing an 18-hole playoff with Scott Simpson, and last year he lost a sudden-death playoff with Mike Reid at the World Series of Golf.

"Some guys think my swing's the same, that I just haven't been making the putts like I did when I was winning," Watson said. "But it's more than that. It's part of being an athlete in any sport. It's losing that touch and feel."

All the great golfers occasionally have lost that "touch and feel."

But Watson preferred to cite how Raymond Floyd "came back after a bad stretch of golf."

"I don't see why I can't do that," he said.

But lately, Watson has played so poorly that his caddy of 15 years, Bruce Edwards, is now working for Greg Norman.

"I gave Bruce the option late last year to take a better offer if it came along," Watson said. "He got mad at me then for even suggesting it. But after I missed the cut at the Memorial, he decided to take Greg's offer. I can't blame him. Bruce's money depended on how much I make."

And when Tom Watson misses the cut, he doesn't make any money. Or any progress in his struggle.

Pete Stringfellow/Reuters

For Tom Watson, the search for the lost touch has been long.

Fate of America's Cup in N.Y. Court

By Barbara Lloyd
New York Times Service

NEW YORK — A panel of five judges heard arguments Thursday on the future of the America's Cup, including the possibility of resailing the 1988 series.

The judges, members of the Appellate Division of the New York State Supreme Court, will rule on a lower court decision that ordered the San Diego Yacht Club to forfeit the America's Cup to the Mercury Bay Boat Club of New Zealand.

The original decision, issued in March by Justice Carmen Ciparick of the New York State Supreme Court, cited the San Diego club for failing to conduct a fair match as trustee of the America's Cup, disqualified the club for successfully defending the cup with a catamaran and ordered the trophy to be ceded to Michael Fay of New Zealand, the challenger.

The New York court oversees the deed as a charitable trust.

The New York club appeared as an intervenor in the case, arguing that the San Diego Yacht Club had no right under the rules to race its catamaran against New Zealand's monohull.

BOOKS

THE SALONIKA BAY MURDER: Cold War Politics and the Polk Affair

By Edmund Keeley. Illustrated. 395 pages. $24.95. Princeton University Press, 41 William Street, Princeton, N.J. 08540.

Reviewed by Herbert Mitgang

A 40-YEAR-OLD mystery with Cold War ramifications surfaces again in a compelling work of detection and analysis by Professor Edmund Keeley of Princeton University, who uses declassified documents from Washington, London and Athens to support his theories.

He maintains that George Polk, the CBS correspondent whose body was found floating in Salonika Harbor on May 16, 1948, with a bullet hole in his head, was the victim of rightist Greek militants. What's more, he says U.S. officials helped cover up the murder to keep Greece as a Mediterranean ally.

"The Salonika Bay Murder" holds that the man who was convicted as an accomplice in the murder, a leftist Greek journalist, was tortured, framed and wrongfully imprisoned for 12 years while U.S. Embassy and intelligence officers blindly accepted the results of his rigged trial.

In addition, the author says, a weak investigation of the case by a committee of American journalists headed by Walter Lippmann, the influential syndicated columnist, approved "the official solution" that Polk had been killed by Communists.

Keeley, whose conclusions are frankly one-sided, brings impressive credentials to his book. He is a longtime professor of English and creative writing and chairman of the Hellenic Studies Committee at Princeton. He has studied and taught in Salonika and Athens, where his father was counselor in the U.S. Embassy. His brother, Robert V. Keeley, has been the U.S. ambassador to Greece for four years.

Who, then, killed George Polk? The author believes that the deed was done by a paramilitary Greek organization or a Greek rightist group. He contradicts the official line that the crime was committed by the Communists; he contends they had more to gain than lose by having Polk interview General Markos Vafiadis, the leader of the Communist guerrillas in the Greek civil war. Polk was on his way to see the general when he was killed.

Keeley supports his conclusions with evidence he found in hundreds of pages of State Department records in the National Archives in Washington, Central Intelligence Agency documents and once-secret Greek and British files.

He does not produce a "smoking gun" to prove that there was Greek-American collusion to sentence the wrong man. After all these years, it is probably too late to find a damning piece of paper; and anyway, an assassination, like a holocaust, is signaled by a murderous wink, not an incriminating order. But he has amassed a good deal of evidence to show that both governments were comfortable with the notion of Communist executioners — who were tried in absentia and never found — because of the Cold War.

Gregory Staktopoulos, a former Communist who was a journalist, was named as an accomplice in the trial and sentenced to 12 years. He later denied his involvement and received a pardon, to everyone's relief.

One strong piece of evidence the author presents is that James G. Kellis, then an air force lieutenant colonel who was assigned to investigate the murder on behalf of William J. Donovan, counsel for the Lippmann committee, found information that contradicted the official solution. He reported to Donovan that there was an attempted rightist cover-up. But Karl Rankin, the chargé d'affaires at the U.S. Embassy, admonished him and tried to get him to pin the murder on the Communists, the author says. Kellis was removed from the investigation and reassigned to Washington.

The author admits, "If the version I emerge with seems colored at times by an excess of passion and my own kind of prejudice, I hope that will be seen as the excusable consequence of a progressive sense of outrage." Passion makes "The Salonika Bay Murder" a readable and provocative work.

Herbert Mitgang is on the staff of The New York Times.

BRIDGE

By Alan Truscott

AT the midpoint of the semifinal stage in the Reisinger Knockout Team Championship the scores by captain were: Henry Bethe over Adam Wildavsky by 33 imps; Glenn Eisenstein over Sam Stayman by 1. Whether or not Stayman becomes the oldest player ever to win the Reisinger, he is now without doubt the world's most formidable octogenarian player. He turned 80 last week and retains the powerful talent that brought him three world team titles in the 1950s. He celebrated by hitting the target on the diagramed deal. His partner, showed strong heart support, slam interest and diamond shortage with the jump rebid of four diamonds. The double showed a desire for a lead in the unbid clubs suit, and the redouble promised first-round control of that suit. The five no-trump bid demanded seven if North held two of the top three heart honors, and Stayman then demonstrated that seven hearts, with eight trumps, was superior to seven spades, with nine trumps. The club ten was covered with the jack, queen and ace. South cashed his diamond winners, throwing clubs from the dummy, and ruffed a diamond with the heart ace. He then overtook the heart jack in order to ruff a club. A spade to the king was followed by the remaining trumps, and East was squeezed in the black suits to make the grand slam. In the replay North-South tried seven spades, which was hopeless with the actual lie of the cards. The Stayman team gained 20 imps.

NORTH (D)
♠AJ98653
♡AKJ
◇—
♣J52

WEST
♠7
♡542
◇Q10954J2
♣104

EAST
♠Q102
♡963
◇J86
♣KQ863

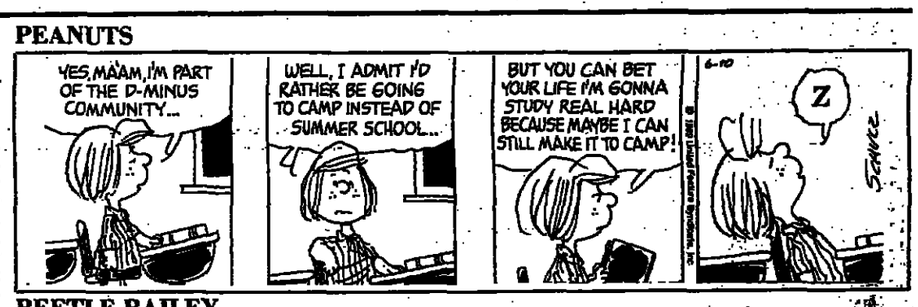
SOUTH
♠K
♡Q10887
◇AK7
♣A97

Both sides were vulnerable. The bidding:

North	East	South	West
1♠	Pass	2♡	Pass
4◇	Dbl	Redbl.	Pass
4♡	Pass	5 N.T.	Pass
7♡	Pass	Pass	Pass

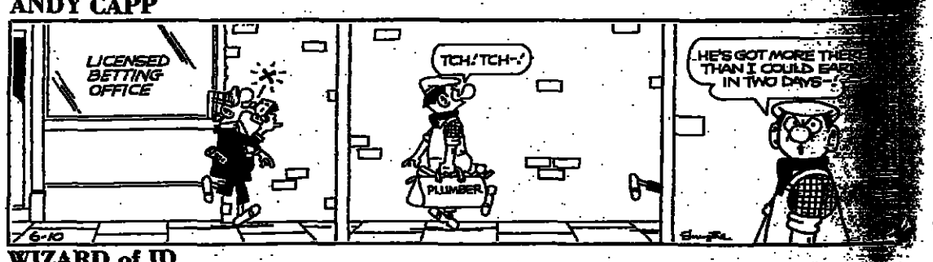
West led the club ten.

PEANUTS



BEETLE BAILEY

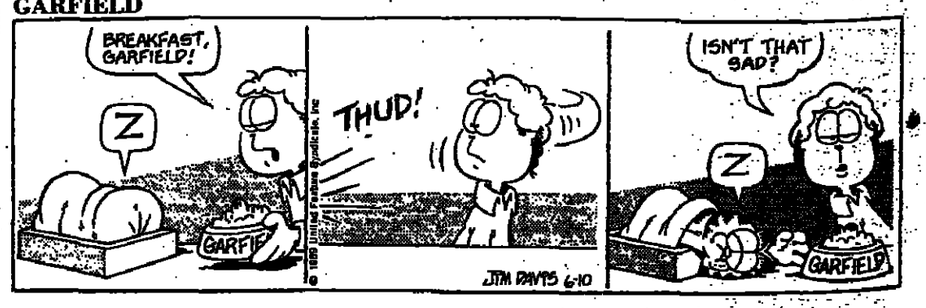
ANDY CAPP



WIZARD of ID

REX MORGAN

GARFIELD



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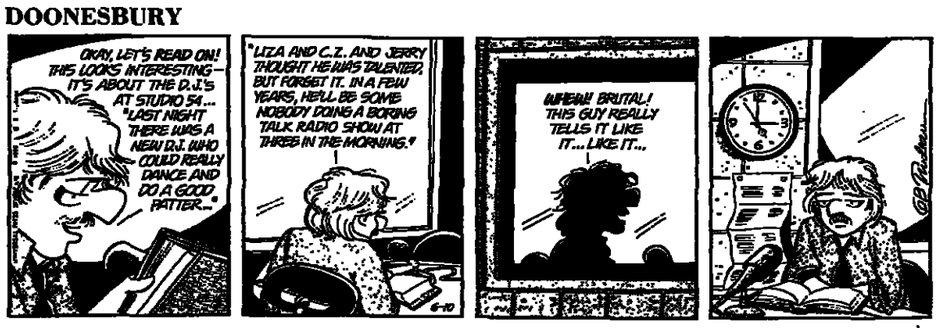

BLONDIE

DENNIS THE MENACE

"NOW LET'S GO TRY ON A CHEESEBURGER!"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PHACT
INYPP
ROZNEF
OANNEY

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

ANSWER: "___-_____" (Answers Monday)

Yesterday's Jumbles: KNACK LEECH QUENCH BEDBUG
Answer: Patent medicines were seldom what they were this—"QUACKED" UP TO BE

SPORTS

Duane Burleson/The Associated Press

The long arm of Joe Dumars kept the Pistons in touch all night as he got 33 points against the Lakers.

Pistons Take 2-0 Series Lead

By David Aldridge
Washington Post Service

AUBURN HILLS, Michigan — Hamstrings continue to hamstring the Los Angeles Lakers in their battle with the Detroit Pistons.

On Thursday, when Magic Johnson had to leave with a hamstring strain in the third quarter of Game 2 of the NBA finals, Los Angeles's

NBA FINALS: GAME 2

chances to win a third straight National Basketball Association title may have gone with him in what eventually became a 108-105 loss.

The Pistons clamped down in the fourth quarter, holding the Lakers without a field goal for almost 9:30 from the end of the third quarter through most of the fourth. The Lakers tied a league record for fewest points in a fourth quarter — 13 — set by the Philadelphia 76ers and the Milwaukee Bucks.

Johnson suffered a partial strain of his left hamstring, in the same area that felled Byron Scott, who missed his second straight game with his own hamstring problem. It was the same area that Johnson injured earlier in the season, forcing him to miss five games.

He will not be examined again until Sunday, the day of Game 3, so his status remains unclear.

Johnson said he knew he was out for the night as soon as he came up limping.

"We were playing well and everything was just going according to game plan," he said. "I felt so good, so confident."

Meanwhile, Scott said that he definitely won't play in Game 3.

James Worthy had a chance to send the game into overtime, after Los Angeles rallied from a seven-point deficit in the last four minutes. But he missed the first of two free throws with two seconds left that would have tied the game. He made the second, and Isiah Thomas was fouled with one second left.

Thomas made both free throws and the Lakers couldn't get off a desperation shot.

Worthy said of his free throw: "I guess it was my time to miss. I went through my normal ritual, shot the ball and it missed."

The Pistons got another huge game from their backcourt. Joe Dumars scored 26 of his game-high 33 points in the first half to keep the Pistons in contact, after Los Angeles shot 55 percent in the first half to take a 62-56 lead. The 62 points were the most against Detroit in any half in postseason.

Thomas scored 19 of his 21 points in the second half, 10 in the fourth quarter when Detroit took over the game. Reserve Vinnie Johnson had 18, as the Detroit trio combined for 72 points after scoring 65 in Game 1. They were a combined 27 of 51, or 53 percent, from the floor.

Dumars was eight of 11 from the floor in the first half and 10 of 11 from the foul line. He had to step it up a little when Thomas picked up two fouls in the first three minutes and played only 10 minutes in the first half.

"Isiah went out early and I knew I had to pick it up, especially in the first half," he said. "We knew they would come out tough tonight. They were down one and wounded. Last year was close in Game 2 and it could have gone any way, but this year we sustained and won."

Worthy and Michael Cooper led the Lakers with 19 points each. Johnson had 18.

The coach of the Pistons, Chuck Daly, and Thomas felt their team's play go down a notch when Johnson left.

"If you've been around the game a while, you don't know how that's going to go," Daly said. "When the other team has people out, your guys don't think it's the same game and they don't react the same way."

In the fourth, however, Detroit took away the inside and closed off the rebounding. They held Los Angeles to just 23 rebounds in the final three quarters after the Lakers pulled down 13 in the first.

And the Lakers missed their first nine shots of the fourth, taking back a heroic performance in the four minutes after Johnson left. But they came together then, led by Cooper and Tony Campbell, who had 15 points, and turned a 79-all game to a 90-81 advantage.

Then Detroit went on a 10-0 run. Mark Aguirre's basket with 8:32 left gave the Pistons a 94-92 lead.

"We just kind of started to be a little too careful and we discontinued going to the basket, and that cost us," Worthy said.

Still, the Lakers came back from a 102-95 deficit, getting inside for lay-ups and drawing fouls. Campbell's basket with less than two minutes to go brought them within 104-100, but Thomas rebounded his miss to put Detroit back up by six. Thompson made free throws at the 1:01 mark, and after Dumars missed, A.C. Green's free throws made it 106-104.

The Pistons couldn't get a shot off, and Worthy drove on a clear-out, drawing the foul from Dennis Rodman.

The Lakers now must do what only two teams have done: come back from a 2-0 deficit to win an NBA finals series.

And they may have to do it without the one player who means everything to them.

Kareem Abdul-Jabbar said: "We've enjoyed certain years when we didn't have an injury. Maybe it's all coming back on us now."

■ $800 Buys 2 Tickets

A total of 837 telephone bids later, the Michigan state Treasury Department sold off eight tickets Thursday to the NBA championship series, with two pairs of seats for Game 6 going for $800, The Associated Press reported from Lansing, Michigan.

The tickets were seized in a drug raid last month and under Michigan law such items must be sold to the highest bidder. A pair of tickets to Game 2 went for $700 and another pair fetched $504.

Susan Ragan/The Associated Press

Jody Reed of the Red Sox, trying to steal in the fifth, was tagged by the Yankees' Alvaro Espinoza.

Pirates Prove It: No Lead Is Too Big

The Associated Press

Who says it's rare to blow a 10-run lead? Four days after Boston did it against Toronto, visiting Pittsburgh did it against Philadelphia.

"It was very painful," the Pirates manager, Jim Leyland, said Thurs-

BASEBALL ROUNDUP

day night after his team took a 10-0 first-inning lead against the Phillies — only to lose, 15-11.

"It's simple to explain," he added. "Their bullpen came through. Ours didn't. Their offense kept the pressure on. Ours didn't."

Pittsburgh's 10-run first was its biggest inning since Sept. 7, 1942. Barry Bonds hit a three-run homer and Andy Van Slyke and Gary Redus each had two hits as the Pirates sent 16 batters to the plate in the National League game.

"I heard my players say, let's get a couple at a time and we can come back," said the Phillies manager, Nick Leyva. And they did.

Von Hayes hit two-run homers in the first and second innings. Steve Jeltz's two-run homer in the fourth chased Pirates starter Bob Walk.

Jeltz, who before May 21 hadn't homered in five years and 1,357 at-bats, hit a three-run homer off Bill Landrum in the sixth, and Ricky Jordan's RBI single off Bob Kipper later in the inning pulled the Phillies within 11-10.

Philadelphia scored five runs in the eighth off Jeff Robinson. John Kruk singled with one out for the first four-hit game of his career and Juan Samuel and Bob Dernier walked.

Cubs 5, Mets 4: Rick Wrona's squeeze bunt in the 10th lifted Chicago to its third victory in the four-game series in Chicago.

Lloyd McClendon reached first with one out on a fielding error by shortstop Jeff McKnight. Curtis Wilkerson singled off Don Aase and Shawon Dunston was hit by a pitch, bringing up Wrona.

Astros 7, Padres 6: In Houston, Mark Davis of San Diego walked Gerald Young to open the bottom of the 10th, and one out later Glen Davis hit his 14th homer of the season to give Houston its 13th victory in 14 games.

Cardinals 7, Expos 2: In Montreal, Pedro Guerrero drove in three runs, including a go-ahead single, and St. Louis scored five runs on six hits in the ninth.

Reds 3, Giants 2: In Cincinnati, Craig Lefferts's wild pitch with the bases loaded in the eighth allowed Barry Larkin to score the winning run. Lefferts had relieved Mike LaCoss and had finished walking pinch-hitter Dave Collins to load the bases. One out later, Lefferts threw a pitch in the dirt past catcher Bo Diaz.

Rangers 11, White Sox 7: In an American League game in Arlington, Texas, Nolan Ryan allowed four homers in a game for the first time in his 22-year career. But Ruben Sierra had a pair of home runs and batted in five runs to lead Texas.

Yankees 8, Red Sox 7: In New York, Boston rallied to tie the game with three runs in the ninth, then flopped with the bases loaded in the 10th and none out.

Don Slaught singled with one out in the 11th off Bob Stanley. He moved to second on an infield out, and after Deion Sanders was intentionally walked. Steve Sax hit a single to win the game.

Brewers 6, Orioles 2: Baltimore, playing at home, lost its second straight after an eight-game winning streak. Trailing 2-1, Milwaukee took the lead with runs in the fourth and sixth.

Chang and Edberg Battle Into the Final

By Nick Stout
International Herald Tribune

PARIS — Michael Chang turned in another display of gutsy tennis here Friday, winning a close match with Andrei Chesnokov, 6-1, 5-7, 7-6, 7-5, to reach the final of the French Open.

Stefan Edberg beat Boris Becker, 6-3, 6-4, 5-7, 3-6, 6-2, and will play

FRENCH OPEN

Chang on Sunday for the championship, worth about $300,000.

In contrast to Chang and Chesnokov, who wore each other down with groundstrokes, Becker and Edberg traded points quickly in a flashy contest of volleys and passing shots. They got through their five sets in three hours and 55 minutes.

"A lot of people didn't think I could play well on clay," said Edberg, who won Wimbledon last year but had always lost in the early rounds here. "But I always knew I could play well on it."

Edberg said he thought he could win in the third set, when he came back from 4-5, 15-40, to stay in the set. But Becker broke serve to win the set at 5-6 on a perfect backhand cross-court passing shot.

"It was a really tough match," Edberg said. "In the fifth set, I lost my serve immediately and felt very tired, but then I broke back and started playing well again."

The Chang-Chesnokov match lasted more than four hours and it hinged on a handful of decisive points in the third set. Serving at 4-5, Chang survived three separate set points in a game that went to deuce seven times. Chesnokov lost the first two set points on errors, but Chang saved the third with a smash.

In the tie-breaker, with Chang serving at 5 points to 4, Chesnokov lost a chance to even the score when his blistering backhand shot went wide by a hair.

"I didn't play badly," Chesnokov said. "But I'm unhappy that I couldn't hit winners on set point." He added, "I should have taken more risks."

At 17 years and three months, Chang is the youngest man to appear in a Grand Slam final.

"It makes me feel really good inside," Chang said when reminded of that fact. "It's something special that I'll always have with me. To have something like this is great because it encourages other young players. Records are always made to be broken, and I hope that this will influence some of the younger players."

Chang is the first American finalist since 1984, when John McEnroe lost to Ivan Lendl. If he wins on Sunday, Chang would be the first American to win the French championship since 1955, when Tony Trabert beat Sven Davidson of Sweden.

Chang breezed through the first set and took a 3-0 lead in the second, but then he suddenly lost his touch. Chesnokov broke serve in the fourth game and kept winning until he was ahead, 4-3. Chang survived when serving at 4-5, but Chesnokov broke him at 5-6 to take the set, the winning point coming on Chang's misguided smash into the net.

The third set was tense. Chang hit a winner to stay alive when Chesnokov was serving game point at 2-2, but he had to forfeit the point when his momentum carried his body into the net. Then Chesnokov broke serve to go ahead, 4-2. Chang broke back in the next game and then held serve to even the score at 4-4.

Chang was playing hard now, forcing his opponent into errors and, when he got the chance, drilling the second serves.

The two played a marathon game of groundstrokes at 4-4, with Chang finally holding serve on Chesnokov's long backhand.

"I was pretty relaxed," Chang said, noting that he was already much farther along in the tournament than he had expected. "I waited for my shots. But it was a tough match. Each point was really hard. So much back and forth. So many break points and ad points."

After Chesnokov held serve to lead, 5-4, Chang survived the three set points and went on to win the tie-breaker.

In the fourth set, Chang fought back from deficits of 3-1 and 4-2 until Chesnokov was serving to stay in the match at 4-5. Chang had match point at 30-40, but lost it on a long forehand. Chesnokov gave him another chance with a long ball of his own, but he survived it on a winning volley. The pair had to endure two more games before Chang put the match away.

If he is the youngest finalist, Chang must also be one of the smallest. At 5 feet 8 inches (1.72 meters), 135 pounds (61 kilograms), his serves and groundstrokes are not fierce. But he demonstrated again Friday how he relies as much on his smarts as on his strength.

"He has the head of a champion," said José Higueras, the clay-court specialist who has been coaching Chang for several weeks to prepare him for the French Open. "Having a good head is the most important thing, and he has it, and I think that's been the basis of his success."

The Crocodile Looks Benignly On

Lacoste, at 85, Holds a Vigil Over the Game He Shaped

By Bud Collins
International Herald Tribune

PARIS — As the 85-year-old Crocodile sits on his front porch, watching the tennis world parade by, he must be a touch distressed.

Of course this marvelous elder, René (Crocodile) Lacoste, is much too gracious and interested to get up from his front-row chair at Roland Garros and turn his back on the game he loves and helped shape. Swaddled in cashmere and tweed (even on warm afternoons because of his circulation problems), Lacoste is seen daily at the playpen he and his three comrades inspired in 1928.

He is present either in the flesh or in bronze, as one of two huge and handsome statues newly unveiled on the grounds. The other celebrates 90-year-old Jean (Bounding Basque) Borotra. Eventually, sculptor Vito Tongiani will have the late Henri Cochet and Jacques Brugnon ready.

United they were France's Four Musketeers, who dominated tennis for nearly a decade beginning in 1924 when Lacoste, Borotra and Cochet equally divided six successive Wimbledon titles. After stripping the Davis Cup from Big Bill Tilden and the United States in 1927, they held it for six years.

Yankee Stadium in New York is called "The House That Ruth Built," a baseball parlor large enough for the hordes attracted by Babe Ruth, the swashbuckling home-run hitter of the 1920s. Certainly, then, Roland Garros, seating 17,000, is the *maison* made by the Musketeers, a suitable showroom for their defense of the Davis Cup and heroics in the French Championships.

Survivors and dear friends, Lacoste and Borotra fought out the French title match 60 years ago, a five-set battle in the red-bottomed corral they now survey.

"Yes, I remember well, it was '29," says Lacoste. His hair, then patent leather, is ashen yet thick.

"Wasn't it '28?" interjects the trim, grasshopper-like Borotra, who still plays ("Twice a week, three times in a very happy week").

"No, no, Jean. '29."

"It was raining," says Borotra.

"Was it? Perhaps. Yes, at the end. I wanted to finish. It was cold. I remember this point. You came to the net, as you usually did . . . but I came to the net, too."

"You usually didn't . . . I was surprised."

"You volleyed the ball right at me and," Lacoste grabs a nearby racket, "for the only time in my life I did this . . ." He holds it at port arms. "I grasped it in both hands and blocked the ball past you."

"You did? Ah yes, I remember. It wasn't the last point. But almost. It was the point that broke me."

They smile and squeeze each other's shoulders.

But much goes on in their old haunt that would wipe the smile off the Cheshire Cat.

"The game, the points go on too long with all the lift from the baseline," says Lacoste. "Do you know why Borg quit so young? Because after boring everybody, he finally bored himself.

"I think that is what has happened to Wilander. It is boring to watch and to play, but almost everybody is doing it. That is why Jimmy and John and Boris Becker are so refreshing. They are trying to win the point, not just wait until the other one loses it."

Borotra says, "The advantage of the serve is greater than ever, too strong for the balance of the game. It would be better to have to serve from a line three feet behind the baseline."

But the Newport Bolshevik, innovative Jimmy Van Alen, did conceive the idea of a more distant serving line a quarter-century ago, along with the tie-breaker. It definitely enhanced the pro tournaments he operated on grass at the Newport (Rhode Island) Casino, but never gained the acceptance of the tie-breaker.

Ironically, Lacoste, an inventive character himself, may have been the root of the problem. It is defined by Borg himself thus: "The ball goes so fast and with so much spin from these new super rackets that the game isn't as interesting."

Lacoste started the lamentable trend away from wood by devising the steel racket, introduced in 1967, and used notably by Jimmy Connors. In the light of today's high-tech bludgeons, the steelie was primitive — although Connors won 105 tournaments with it.

Today, unfortunately, the tools have overwhelmed the game. But could any leaders be wise enough to mandate a return to wood, to regain a balance of power that baseball has never lost?

Undoubtedly Lacoste is aghast — he's not alone — at the costumes adorning male players. After all, he also designed the classic short-sleeve, cotton-weave sports shirt that became the tennis, golf and leisure uniform, and decorated it simply with his crocodile emblem.

With few exceptions such simplicity and elegance is gone. The players look as though they dressed in the dark. Their attire is a bizarre mélange of splotches, squiggles, cartoons and puzzling patterns that mark the creators with the distinction of having flunked nursery school art. Such haberdashers should be thrown to the crocodiles.

Agence France-Presse

Michel Chang punches a backhand during his victory Thursday.

SIDELINES

Oilers Goalie Fuhr Ends NHL Career

WETASKIWIN, Alberta (AP) — Goaltender Grant Fuhr said that he has filed his retirement papers and intends to end his National Hockey League career after eight seasons with the Edmonton Oilers.

His agent, Rich Winter, said Fuhr informed the Oilers of his decision on May 29 and four days later filed papers with the NHL asking to be placed on the voluntarily retired list.

Fuhr, 26, said at a news conference Thursday that he filed for retirement because he was fed up with what he called "unjustifiable things" that were said about him in the Oilers' dressing room. He said: "This has been building, ongoing for a long time . . . You can't be belittled all the time."

Belmont Favorites Draw Posts 6 & 7

NEW YORK (NYT) — Sunday Silence and Easy Goer figure to be close together at the finish of the Belmont Stakes Saturday, and Thursday the luck of the draw put them right next to each other at the start.

Sunday Silence drew post 6 and Easy Goer drew post 7 as a field of 10 was entered for the 121st Belmont, at Belmont Park. Sunday Silence, who won the Kentucky Derby by 2½ lengths on May 6 and the Preakness by a nose on May 20, will try to become racing's 12th Triple Crown winner and the first since Affirmed in 1978.

Easy Goer will try to reverse his second-place Derby and Preakness finishes to avoid becoming the first to finish second in all three races since his sire, Alydar, who made a career of chasing Affirmed 11 years ago. The rest of the field, widely considered to be staging its own contest for third place, consists, from the rail out, of Irish Actor, Imbibe, Triple Buck, Hawkster, Rock Point, Le Voyageur, Awe Inspiring and Fire Maker.

Rose Said to Have Bet on Football

NEW YORK (AP) — Former CBS commentator Jimmy (The Greek) Snyder says that he gave some gambling tips on football games to Pete Rose, the Cincinnati Reds manager, several years ago when Rose was working for the network as a baseball analyst.

Snyder said on a CBS program Thursday night that he was convinced that Rose never bet on baseball games and only bet on football because he had nothing else to do in the baseball off-season. Rose's gambling practices have been the subject of an investigation by baseball.

"It's impossible for him to have touched a baseball game, because he's working, he's playing, he's thinking," Snyder said. "For him, that's enough to occupy his mind. You only bet because you don't have anything else to do."

For the Record

Nigel Mansell, a British Formula One racing driver, will stay with the Ferrari team next season, Ferrari announced Friday. *(Reuters)*

Quotable

● Ivan Lendl on Michael Chang: "You have to do more than just knock off a player in a Grand Slam tournament to be a genius. You have to win one of them." *(AP)*

● Hockey great Gordie Howe, asked if he ever broke his nose playing hockey: "No, but 11 other guys did." *(LAT)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Baltimore	31	24	.564	—
Cleveland	28	29	.491	4
New York	27	30	.474	5
Boston	26	29	.473	5
Milwaukee	27	31	.466	5½
Toronto	24	33	.421	8
Detroit	23	34	.404	9
West Division				
Oakland	38	20	.655	—
California	36	20	.643	1
Kansas City	33	24	.579	4½
Texas	32	25	.561	5½
Seattle	28	32	.467	11
Minnesota	26	31	.456	11½
Chicago	21	38	.356	17½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Chicago	33	24	.579	—
Montreal	31	28	.525	3
New York	29	27	.518	3½
St. Louis	27	28	.491	5
Philadelphia	21	34	.382	11
Pittsburgh	21	34	.382	11
West Division				
Cincinnati	33	24	.579	—
Houston	34	25	.576	—
San Francisco	33	26	.559	1
San Diego	30	31	.492	5
Los Angeles	28	29	.491	5
Atlanta	24	34	.414	9½

Thursday's Line Scores

AMERICAN LEAGUE

Milwaukee 101 101 200—4 13 0
Baltimore 200 000 000—2 9 1
Krueger, Knudson (5) and Surhoff; Milacki, Huismann (6), Thurmond (7), Olson (9) and Melvin. W—Knudson, 2-1. L—Milacki, 3-6.

Boston 000 110 203 00—7 16 1
New York 110 104 000 01—8 14 3
(11 innings)
Boddicker, Lamp (6), L.Smith (7), Murphy (10), B.Stanley (11) and Cerone, Gedman (8). Kutcher (9); C.Parker, Guetterman (6), Mohorcic (7), Righetti (9), McCullers (10) and Slaught. W—McCullers, 2-1. L—B.Stanley, 2-2. HRs—Boston, Evans (9), Boggs (2). New York, Barfield (11). Pasqiarulo (3), M.Hall (3).

Chicago 010 220 011— 7 7 4
Texas 501 101 03x—11 14 0
Kline, McCarthy (4), Patterson (6) and Fisk; Ryan, D.Hall (9), Russell (9) and Kreuter. W—Ryan, 7-3. L—Kline, 4-8. Sv—Russell (13). HRs—Chicago, Calderon (7), Baines 2 (6), Kittle (11). Texas, Sierra 2 (9).

NATIONAL LEAGUE

San Francisco 100 200 000—2 6 0
Cincinnati 002 000 01x—3 10 0
Cook, LaCoss (7), Lefferts (8) and Manwaring, Kennedy (8); Jackson, Dibble (7), Franco (9) and Diaz. W—Dibble, 5-2. L—LaCoss, 2-5. Sv—Franco (17).

St. Louis 200 000 005—7 7 0
Montreal 000 200 000—2 8 1
Terry, DiPino (8), Guisenberry (9) and Pena; Gross, Frey (9) and Fevey, Fitzgerald (9). W—DiPino, 3-0. L—Gross, 6-4.

Pittsburgh (10)000 010 005—11 14 0
Philadelphia 2 02 204 00x—15 15 0
Walk, Kipper (4), Landrum (6), J.Robinson (8), Somoels (8) and Ortiz; McWilliams, Chilvera (1), G.A.Harris (5), Carman (7), Bedrosian (9) and Daulton. W—Carman, 2-9. L—J.Robinson, 2-6. HRs—Pittsburgh, Bonds (10). Philadelphia, V.Hayes 2 (12), Jeltz 2 (3).

San Diego 003 020 000 1—6 8 0
Houston 001 000 004 2—7 11 2
(10 innings)
Show, Ma.Davis (9) and Parent; Knepper, Portugal (8), Darwin (10) and Bissio. W—Darwin, 5-1. L—Ma.Davis, 2-2. HR—Houston, G.Davis (14).

New York 000 110 101 0—4 8 1
Chicago 011 101 000 1—5 11 0
(10 innings)
Darling, McDowell (7), Myers (8), Aase (10) and Lyons; Bielecki, Schiraldi (7), S.Wilson (7), M.Williams (9) and Berryhill. W—M.Williams, 1-2. L—Aase, 1-2. HRs—New York, H.Johnson (13), McReynolds (7). Chicago, McClendon (5).

Major League Leaders

AMERICAN LEAGUE

BATTING (167 at bats)—Lansford, Oakland, .356; Palmeiro, Texas, .333; Baines, Chicago, .327; Puckett, Minnesota, .326; Steinbach, Oakland, .325; Boggs, Boston, .324; Franco, Texas, .324; Sierra, Texas, .320; Liriano, Toronto, .314; Gallagher, Chicago, .312.

HOME RUNS—Tettleton, Baltimore, 14; Whitaker, Detroit, 14; B.Jackson, Kansas City, 13; Deer, Milwaukee, 13; McGriff, Toronto, 13; Barfield, New York, 11; Kittle, Chicago, 11; Leonard, Seattle, 11.

RBI—Franco, Texas, 50; Sierra, Texas, 46; Leonard, Seattle, 42; B.Jackson, Kansas City, 37; Greenwell, Boston, 37; A.Davis, Seattle, 36; 5 are tied with 35.

PITCHING (6 Decisions)—Ballard, Baltimore, 9-1, .900; McCaskill, California, 7-1, .875; Swindell, Cleveland, 7-1, .875; Montgomery, Kansas City, 6-1, .857; Stewart, Oakland, 10-2, .833; Blyleven, California, 6-2, .750; T.Gordon, Kansas City, 6-2, .750; K.Brown, Texas, 5-2, .714.

NATIONAL LEAGUE

BATTING (167 at bat)—Larkin, Cincinnati, .363; T.Gwynn, San Diego, .353; W.Clark, San Francisco, .343; Grace, Chicago, .316; V.Hayes, Philadelphia, .315; Guerrero, St.Louis, .308; Butler, San Francisco, .307; Mitchell, San Francisco, .304; O'Neill, Cincinnati, .302; Sandberg, Chicago, .293.

HOME RUNS—Mitchell, San Francisco, 22; G.Davis, Houston, 14; H.Johnson, New York, 13; Strawberry, New York, 13; V.Hayes, Philadelphia, 12; Bonds, Pittsburgh, 10; W.Clark, San Francisco, 10; E.Davis, Cincinnati, 9; O'Neill, Cincinnati, 9.

RBI—Mitchell, San Francisco, 61; W.Clark, San Francisco, 44; O'Neill, Cincinnati, 42; Guerrero, St. Louis, 41; E.Davis, Cincinnati, 39; G.Davis, Houston, 39; V.Hayes, Philadelphia, 38; Murray, Los Angeles, 36.

PITCHING (6 Decisions)—Reuschel, San Francisco, 11-2, .846; Darwin, Houston, 5-1, .833; DeMartinez, Montreal, 5-1, .833; Myers, New York, 5-1, .833; Whitson, San Diego, 9-2, .818; Gooden, New York, 7-2, .778; Scott, Houston, 10-3, .769; Glavine, Atlanta, 6-2, .750.

College World Series

Double-elimination NCAA baseball tournament in Omaha, Nebraska, started June 2.
Game 12—Texas 12, Louisiana State 7.
June 9: Game 13—Florida State, 54-17, vs. Wichita State, 66-16; Game 14—Texas vs. Louisiana State, if Louisiana State wins Game 12.
June 10: Championship

BASKETBALL

NBA Finals: Game 2

L.A. LAKERS

	Min	FG	FT	Reb	A	PF	Pts
Worthy	43	7-19	5-8	2-5	4	3	19
Green	34	3-6	4-4	2-9	0	3	10
A.Jbbr	28	4-12	3-4	1-2	2	3	11
Johnson	29	6-12	5-5	2-6	9	2	18
Cooper	44	6-12	3-3	1-1	4	3	19
Thmpsn	20	2-6	2-2	3-4	0	3	6
Wirdpe	20	1-2	5-6	3-5	1	2	7
Cmpbll	21	6-8	2-2	1-4	1	3	15
Lama	1	0-0	0-0	0-0	0	0	0
Team					12		
Totals	248	35-77	29-34	15-48	31	22	105

DETROIT

	Min	FG	FT	Reb	A	PF	Pts
Aguirre	33	7-11	0-0	2-6	2	5	14
Mahorn	21	1-3	0-0	0-2	2	4	2
Laimbr	14	1-3	0-0	2-5	0	4	2
Dumars	38	10-16	13-14	1-2	6	2	33
Thomas	34	9-21	3-4	1-4	7	4	21
Johnson	27	8-14	1-1	1-3	2	1	18
Edwrds	22	3-8	2-2	3-4	2	4	8
Rodman	26	1-1	0-0	2-7	0	3	2
Salley	17	4-4	0-0	1-2	0	4	8
Team					3		
Totals	240	44-81	19-21	13-38	21	31	105

L.A. Lakers 22 26 30 13—105
Detroit 26 30 28 24—108

Three-point goals: Los Angeles 6-15 (Cooper 4-8, Campbell 1-2, E.Johnson 1-3, Green 0-2), Detroit 1-8 (V.Johnson 1-3, Dumars 0-1, Thomas 0-2, Aguirre 0-2).

NBA Schedule

Detroit vs. L.A. Lakers
(Detroit leads series 2-0)
June 11: Detroit at L.A. (1930 GMT June 11)
June 13: Detroit at L.A. (1600 GMT June 13)
x-June 15: Detroit at L.A. (1600 GMT June 15)
x-June 18: L.A. at Detroit (1930 GMT)
x-June 20: L.A. at Detroit (1600 GMT June 20)
x-if necessary

CYCLING

Tour of Italy

20th STAGE
(Voghera to La Spezia; 220 kilometers/136 miles)
1. Laurent Fignon, France, 6:10:50; 2. Maurizio Fondriest, Italy, same time; 3. Flavio Giupponi, Italy, s.t.

OVERALL STANDINGS
1. Laurent Fignon, France, 85:54:52; 2. Flavio Giupponi, Italy, 1:26 behind; 3. Andrew Hampsten, U.S., 1:31 behind; 4. Urs Zimmermann, Switzerland, 2:47 behind; 5. Franco Chioccioli, Italy, 2:53 behind.

TENNIS

French Open

SEMIFINALS
Men
Michael Chang (15), U.S., def. Andrei Chesnokov, Soviet Union, 6-1, 5-7, 7-6 (7-4), 7-5; Stefan Edberg (3), Sweden, def. Boris Becker (2), West Germany, 6-3, 6-4, 5-7, 3-6, 6-2.

Women
Doubles
Steffi Graf, West Germany and Gabriela Sabatini (3), Argentina, def. Jana Novotna and Helena Sukova (1), Czechoslovakia, 6-1, 6-2; Larisa Savchenko (2) and Natalia Zvereva, Soviet Union, def. Brenda Schultz, Netherlands, and Andrea Temesvari, Hungary, 6-1, 6-4.

Mixed doubles
Manon Bollegraf and Tom Nijssen (6), Netherlands, def. Robin White and Jim Grabb (2), U.S., 6-1, 7-5; Arantxa Sanchez, Spain, and Horacio de la Pena, Argentina, def. Zina Garrison (1) and Rick Leach, U.S., 7-6 (7-5), 4-6, 11-9.

CRICKET

ENGLAND VS. AUSTRALIA
(In Leeds, England, Day 2)
1st Innings: Australia 580-6.

TRANSITION

BASEBALL
American League
BOSTON—Put Sam Horn, designated hitter, on 15-day disabled list. Recalled Kevin Romine, outfielder, from Pawtucket, International League.

DETROIT—Put Alan Trammell, shortstop, on 15-day disabled list. Recalled Mike Brumley, infielder, from Toledo, International League.

OAKLAND—Signed Scott Lydy, outfielder, and assigned him to Medford, Northwest League.

National League
SAN FRANCISCO—Recalled Ernie Camacho, pitcher, and Bill Bathe, catcher, from Phoenix, Pacific Coast League. Optioned Ed Jurak, infielder, and Jeff Bramley, pitcher, to Phoenix.

ST. LOUIS—Activated Denny Walling, outfielder, from 15-day disabled list. Optioned Rod Booker, infielder, to Louisville, American Association.

FOOTBALL
National Football League
BUFFALO—Agreed to terms with Scott Norwood, placekicker. Signed John Kolesar, wide receiver. Waived John Driscoll, offensive tackle, and Paul Hickerl, placekicker. Will not offer contract to Pat Raboid, tackle.

N.Y.JETS—Signed George Radachowsky, safety.

Arena Football League
AFL—James F. Foster remains as president. Named Jeremiah Enright director of media relations; Mark J. Higley director of business operations, and Ray Jauch director of football operations.

Canadian Football League
OTTAWA—Signed Ian Patteron, defensive back, and Michael Scott, kick returner.

HOCKEY
National Hockey League
EDMONTON—Grant Fuhr, goaltender, filed retirement papers.

HARTFORD—Said that Emile Francis will remain as president.

QUEBEC—Released Mario Gosselin, goaltender.

East Coast Hockey League
HAMPTON ROADS—Named John Brophy coach and director of hockey operations.

HORSE RACING
HAWTHORNE RACE COURSE—Suspended Judy M. Mickelson, trainer, for 15 days for violating medication rules.

SOCCER
American Soccer League
FORT LAUDERDALE—Signed Osvaldo Ardiles, midfielder.

COLLEGE
GEORGIA—Named Matt Rogers sports information director.

HOFSTRA—Pitman Schultz, baseball coach, resigned.

MOUNT ST.JOSEPH'S—Named John Pont football coach.

RPI—Named Joseph King football coach.

TENNESSEE—Named Ray Martin assistant basketball coach.

TEXAS A&M—Named Bert Hill strength and conditioning coach.

VMI—Named Steve Ross soccer coach.

POSTCARD

Welcome, P.T. Barnum

By Glenn Collins
New York Times Service

BRIDGEPORT, Connecticut — Visitors to the $7.5-million, three-years-in-the-making Barnum Museum will definitely not be greeted by a banner that proclaims "Welcome, Suckers" when it opens to the public this weekend.

Instead, a six-foot-tall talking likeness of Phineas Taylor Barnum will meet museumgoers with a pitchman's spiel: "I'm P.T. Barnum. Perhaps you've heard of me. All the world knew Barnum the showman."

"According to the best scholarly evidence, Barnum never said 'there's a sucker born every minute,'" Robert S. Pelton, the Barnum Museum's curator, said. "It was probably attributed to him by a former employee more than a decade after Barnum's death."

Nevertheless, the 19th-century impresario did once state that "the bigger the humbug, the better the people will like it."

Much of the Barnum Museum is devoted to the role of the colossal hoax in the career of this master entrepreneur who popularized the modern public museum, the public concert and the three-ring circus.

Along the way, Barnum made millions, went bankrupt, recouped and died in 1891 at 81, leaving an estate of $4 million.

□

"We think of the museum as a showplace for a great showman," said the museum's chief consultant, Karl Katz. A lifelong Barnum buff, he is head of the office of film and television at the Metropolitan Museum of Art in New York.

The new museum's 27,000 square feet (2,500 square meters) of exhibition space have been crammed with Barnumiana in the three-story Barnum Institute of Science and History.

Barnum designed and paid for this 1893 Romanesque fantasy of a building on Main Street to serve as a home for Bridgeport's historical and scientific societies.

"We've tried very hard to balance Barnum the humbug and Barnum the serious man," said Linda A. Altshuler, the museum's executive director. "We didn't want to make him a saint, nor did we want him to be thought of simply as a huckster."

Barnum the citizen was mayor of Bridgeport in 1875 and 1876, and he was also a state legislator, a city planner and philanthropist. The civic Barnum was even a newspaper editor in Danbury. He was arrested three times for libel and served a 60-day jail term for accusing a deacon of usury.

"He was the Donald Trump of Bridgeport at one time," Pelton said, alluding to Barnum's real estate holdings.

Barnum was the first to import the bicycle, the corset and the typewriter to this city on Long Island Sound that still boasts the Barnum Tile Store on Barnum Avenue and the Tom Thumb Florist on North Avenue, Katz said.

The Barnum Museum's collection includes 5,000 artifacts, including Barnum curiosities, documents, books, manuscripts, photographs and memorabilia.

In addition to personal relics like Barnum's humidor and a monogrammed linen dress shirt, there is also a velvet suit that General Tom Thumb wore before the Queen of England. The Bridgeport-born midget was discovered by Barnum, who escorted him to several performances for Queen Victoria and Prince Albert in 1844.

□

The interior of the museum — in which a smaller, antiquated Barnum museum previously resided — was restored under the supervision of the architect Richard Meier.

The museum offers photographs of Jumbo the Monster Elephant, the gigantic pachyderm Barnum first sent on tour in 1882.

In addition, there are Matthew Brady photographs of the Barnum sideshow stars Anna Swan, "the Nova Scotia Giantess"; Jane Campbell, "the Fat Lady"; and Madame Josephine Fortune Clofullia, Barnum's bearded lady.

And there are likenesses of Chang and Eng, who performed for Barnum and added the phrase Siamese twins to the language.

"A hundred years after his death, Barnum is still a legend," Pelton said.

The museum, he said, is the most tangible manifestation of a Barnum renaissance, which includes the 1980 Broadway show "Barnum"; the definitive collection of his letters, published in 1983 by Columbia University Press; the 1986 movie biography "Barnum" starring Burt Lancaster; "and new legions of Barnum fanciers."

John Lurie: Movie Star In a 'Trend Pocket'

By Mike Zwerin
International Herald Tribune

PARIS — Long before he became a movie star, John Lurie saw a man pushing a wheelbarrow full of dirt. The man said he was going to plant an organic garden on his roof in honor of a statue he had seen turn into an angel and fly away. An angel was just the ticket for this high school student lost in the wilds of Worcester, Massachusetts. The man gave Lurie a battered saxophone hanging on his wall. Lurie started figuring out the fingering. It was better than walking around the streets at night.

For many years, until very recently in fact, when dealing with such mundanities as a pile of dirty laundry, Lurie identified with the joke about the housewife who is convinced she has insights of Shakespearean proportions but cannot articulate them. The saxophone was crying, not him.

Ten years ago, he started the Lounge Lizards, a band that hit what Lurie calls a "trend pocket" somewhere between free jazz and sour rock. It was punk time, it was called punk jazz. Nothing was supposed to be heartfelt, it was aggression first, last and always. The basic idea was that everything beautiful they would try and destroy.

It was heavy-handed visceral material designed to wallop the audience with volume and funk, combined with swing, rock or vaudeville time to keep the people from leaving at all costs. Assimilating elements from Coltrane, Monk, Bartók, Hendrix and the Pygmies (a tribe, not a band). The Lounge Lizards attracted a certain amount of intellectual respect from poets and paupers. But he was convinced that musicians thought John Lurie just thinks he looks good with a saxophone. Which was not far off.

He has a kind of Bowery face, as though appearing through a fish-eye lens, a face not easily forgotten. He is a good-humored and rather gentlemanly fellow who will pretend to be hurt[illegible] to read such a description of himself. He tries to scowl you down but it doesn't really work. The actor is scowling, not him.

The German film director Wim Wenders gave Lurie's Lower East Side friend Jim Jarmusch this, as Lurie describes it, "so-called property." Jarmusch felt it could be developed. He and Lurie, who had made 8mm movies with "all these downtown characters, sort of second-generation Warhol

> 'I'm not a jealous person. No, it's not true. I'm jealous of everybody.'

stuff," expanded the half-hour story and Jarmusch managed to get it produced under the name "Stranger Than Paradise," a black and white five-figure budget feature that won Lurie the Camera d'Or prize at the Cannes film festival for his realistic rendition of a small-time hustler. "Just before the Roman numerals at the very end, you'll find a credit that reads from an idea by John Lurie."

His similar role ("I've never played anybody who has a job") in Jarmusch's following "Down By Law" is described in Lurie's official biography as a "cross between Brigitte Bardot and Ray Charles." He played Natassia Kinski's pimp in "Paris, Texas," and Saint James in Martin Scorsese's "The Last Temptation of Christ," resembling "Jill Clayburgh with a beard."

Meanwhile the band was playing avant-garde jazz in rock clubs for an audience that did not want to hear it. It was all in the name of a hopelessly obscure but terribly au courant category called "new music," a virtual guarantee of eventual obscurity. The fact that he could keep the band working astounded Lurie. It got quite bad in the mid-'80s, lots of drugs and no money. It was really dreary going [illegible] band [illegible] two forgettable albums, including "Mutiny on the Bowery."

They were popular "for all the wrong reasons." But when the "trend pocket" moved someplace else, and the audience with it, they began to get respect playing major festivals in Hamburg, Vienna, Montreux and Paris. Robert Palmer called them "a musical force to be reckoned with" in The New York Times. The French press, glomming on as it will to this sort of thrift-store intellectual American, said he was a "genius" and the "Bogart of the '80s."

Lurie finds the movie star caper "really annoying." After hustling for years for scraps at the bottom of the musical pile, he spends eight weeks here and there making these "fluke movies" and suddenly he is recognized on the street, producers offer him six-figure contracts ("this is verifiable information"), women won't leave him alone and the Japanese keep giving him lots of clothes.

His soundtrack for "Stranger Than Paradise" was recorded by the acclaimed Kronos String Quartet. Although he has since come around to appreciate it, Lurie was at first quite unhappy with the rendition: "They have this 'hippity-hop' syndrome, playing everything too fast, like Bartók in double-time. Why are they so well known?

"Not that I'm jealous, I'm not a jealous person," he said, before reconsidering. "No, it's not true. I'm jealous of everybody. That's weird isn't it? Because actually I'm pretty lucky. I play the music I want and if I ever get tired of it I can be a movie star."

He was offered $350,000 to play a role in a "horrendous movie that shall remain unnamed, I mean really dumb. It would have meant canceling two Lounge Lizard tours. I figured I was being faithful, but when I told the guys about it, they said, 'Why didn't you do it?'

"They didn't seem to understand. You do something like that, it ruins your credibility. It's like hearing Coltrane in a Jerry [illegible] movie — you'd never hear his music the same way again. But you'll notice that, while I'm talking about integrity, I'm telling you about it to make sure as many people as possible know I turned down all that money. Sounds pure, don't it? But it's true, sure it is. Call my agent. I have an agent. I like money, I just don't want to look stupid."

Acting provided a chunk of change to pay to finish production of the latest Lounge Lizard album called "Voice of Chunk," which had been languishing in the production process. He remixed it all, tore layers apart and took out the equalizing devices that make all records of the genre sound like Kenny G records ("Isn't Kenny G afraid that somebody like me is going to assassinate him?").

Lurie was looking for something very simple that has become almost impossible to achieve in today's high-tech atmosphere — to reproduce the sounds of real instruments, to make wood and brass sound like wood and brass. Such a "program" does not exist on any computer engineers know anything about. Some of them have never even heard what real instruments sound like without a digital mix.

The engineers defined what Lurie was after to be "bad sound." But "Voice of Chunk" is the first Lounge Lizard album that lives up to its own publicity. The melodies are simple but developed. It moves fast without hysteria. It has a sense of humor. When it moves slowly it is not boring. The energy can be bruising but never rowdy.

The movie star, who now practices saxophone three hours a day, considers himself "more of a musician than ever." He has finally had the courage to make a record that is not afraid to be beautiful.

The Lounge Lizards in Austria: Graz, June 13; Vienna, June 14; Wels, June 15; Innsbruck, June 16; Bregenz, June 17.

Christoph Rose

Lurie in his Lounge Lizard persona.

PEOPLE

Papandreou Is Granted Divorce by Athens Court

An Athens court on Friday granted Prime Minister Andreas Papandreou a divorce, ending his marriage to his American-born wife of 38 years, Margaret, a court spokesman said. The court issued the divorce on the basis of a suit filed by Papandreou claiming that he had been separated from his wife for at least four years. The divorce opens the way for the 70-year-old Papandreou to marry his live-in companion, Dimitra Liani, 35, a former airline hostess. Papandreou married the former Margaret Chant, now 66, of Elmhurst, Illinois, in 1951. They have four children and two grandchildren.

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Archbishop Desmond M. Tutu, the leader of the South African Anglican Church and the recipient of the 1984 Nobel Peace Prize, has been elected to the Harvard University Board of Overseers. The announcement was made at Harvard's commencement exercises Thursday, at which **Prime Minister Benazir Bhutto** of Pakistan delivered the principal speech. The archbishop was nominated in March by a dissident alumni group that has been urging Harvard to get rid of its holdings in companies that do business in South Africa.

□

Riccardo Muti's baton will be waving over the Philadelphia Orchestra for some time — his contract as music director has been extended indefinitely. Under the terms of the new agreement, Muti's contract initially will be extended through the 1991-92 season. It will be renewed each year by mutual agreement. Muti, a native of Naples, became music director in Philadelphia in 1980. He became music director of the La Scala opera house in Milan in 1986.

□

A move is afoot to install **Thomas Paine**, the American political journalist and pamphleteer and the author of "Common Sense" and "Rights of Man," in the Panthéon in Paris. Paine was elected to the French revolutionary National Convention during a long sojourn in Europe. **Yves Jouffa**, president of the League of Human Rights, said at a Paine Seminar in Paris cosponsored by the International Herald Tribune that he would make the proposal to **President François Mitterrand**.

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AU PAIR NEEDED IMMEDIATELY for 2 & 3 year old. Drivers license required. Free room & board. Air fare reimbursed after 6 mos. 40 minutes from NYC. Private room. References. Respond: Rebecca Dunn, 2323 Longfellow Ave. Westfield NJ 07090 or Tel: 201-232-7507 USA

NANNY TO MUNICH/GERMANY, sole charge day care for 11 months boy, native English speaking, genuine love for children, mature, experienced, non-smoker driver preferred, good salary and own apartment, start Mid-Sept. CV/References to: G. Strauss, Sudetenstr. 33, D-8032 Graefelfing.

ENGLISH SPEAKING QUALIFIED Governess over 30. Full-time, live-in, to take sole charge of 2 girls age 3½ & 5. Salary corresponding to experience & qualifications. Long term, not au pair. [illegible] TV, etc. Please write to: Dimmos Doudos, Fragon 13, Thessaloniki 54626 Greece.

AU PAIR WANTED responsible, over 21 for minimum 2 mo. preferably 2 years in nice Franco-American family. 45 min from New York. 2 school boys [illegible] old. Please send photo. Please contact: Alexandra Strauss, 379 Bolton Rd, East Windsor, NJ 08520 USA — Tel. 609-448-5714 evenings

NEEDED AUPAIR FOR 4 CHILDREN. (3 months old- 16). Light household chores. English speaking. Good conditions. References C/V + photo to: Tel. 972-3-7527767-8. Tel Aviv, Israel, Fax 972-3-752776?

EMPLOYMENT

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AU PAIR Long Island, NY family seeks only loving girl to care for our 4½ yr. old daughter. Like animals, non-smoker. 6 mo. minimum. Letter & photo to: J. Buffalino, 459 Dover St., Westbury, NY 11590 USA

FAMILY WITH 3 CHILDREN looking for au pair in New England country setting, 20 min. train to Boston. Private room. Send resume & photo: Sillari, 20 Prairie St. Concord, MASS 01742 USA.

AUSTRALIAN FAMILY SEEK responsible girl, 20 years & over for au pair/nanny position near Paris. References essential & must be willing to participate in family life. Paris 39.62.32.27.

AU PAIR for 1 yr. old. August. Non-smoker. English speaking. 45 min NYC. References & photo. Reply: Schnaberg, 5 Jano Place, Plainview, NY 11803

AU PAIR NYC start August. Boy age 2½. Non-smoker/english speaking. Reply: Sharon Parks, 42-28 214th Pl, Bayside, NY 11361 Tel: 718-225-6565

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EUROPEAN AU PAIR Spend summer in Corfu, Greece. Contact Mr. Bobis: 30-661-94353.

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FRENCH FAMILY with 2 boys aged 17 & 15 seeks American male student willing to share family life in exchange for 2 hours/day English tutoring during Aug in villa 12 kms from St. Tropez, 7 mins beach. Send CV/photo: Mrs Cordelier, 15 ave Ferdinand Buisson, Paris 16 or 46 20 16 04

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FRENCH GIRL, 22, seeks au-pair job from Oct. For 6 months min in USA. East or West coast. Non-smoker, driver, Speaks English & Spanish. Bouthors, 35 rue Anatole France, 92370 Chaville, France.

FRENCH TEACHER seeks post in USA to babysit/give French lessons/lady's companion few hours per day. July - Aug for board & lodgings. Box 0874, IHT, 92521 Neuilly Cedex, France.

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AMERICAN MALE STUDENT seeking houseboy position abroad. Contact J. Dunaway, P.O. Box 1029, Lacombe, Lousiana 70445 USA.

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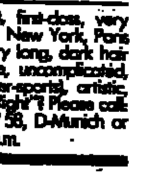

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